Municipal Amalgamation in Japan: Who Is Happy?

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Key words: amalgamation, municipality, community, local government, central government

Abstract
In order to improve efficiency in local government public services, Japan’s central government has implemented a strategy of amalgamation of municipalities and created larger local government units. Since the Meiji Restoration (1868) there have been three big waves of amalgamations in Japan. The third, and most recent, wave of municipal amalgamations was at the beginning of the 21st century. Before this amalgamation, decentralization reform had been carried out in 2000, resulting in local governments obtaining many jurisdictions from central government. But under the unitary political structure of Japan, central government has maintained its strong influence over local government. Because central government considered small local government unable to efficiently provide public services for inhabitants, it strongly insisted on the amalgamation of small municipalities. This restructuring has progressed rapidly and many have disappeared.

After the amalgamation, each local government unit is larger than before, but it seems that local democracy has been weakened since the number of members in local parliament and the opportunities for local elections (vote places) have both been reduced. Moreover, inhabitants in periphery areas of large cities are now forced to travel long distances to visit their city hall.

In this paper, I would like to analyze the practice and consequences of municipal amalgamation in Japan and to discuss the implications of this for other countries.

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Introduction
Japan had 3,232 municipalities at the end of March, 1999. The government and the ruling Liberal Democratic Party at that time, among others, promoted the municipal amalgamation, known in Japan as the “Heisei Amalgamation”. They believed that small municipalities should be merged to improve administrative efficiency and strengthen their administrative and financial capacity. As a result of this policy, the number of municipalities is 1,719 as of the end of March, 2012, a fall of approximately 53 percent in the 12 years since 1999\(^1\).

Japan is unitary state and has adopted a two-tiered local government system consisting of prefectures and municipalities since 1889 has. It is divided into 47 prefectures serving wider areas: Tokyo metropolitan (Tō), Hokkaido (Do), Kyoto and Osaka urban prefectures (Fū) and 43 other prefectures (Ken)\(^2\). Each prefecture consists of many municipalities providing local services: city (Shī), town (Cho/Machi) and village (Son/Mura)\(^3\).

In addition, there is a system by which municipalities of a certain size can deal with what is generally considered to be prefecture administrative work. By government decree, they are called Government Ordinance Designated Cities (Seirei Shitei Toshi), Core Cities (Chukaku-shi) or Special Case Cities (Tokurei-shi) in the Local Autonomy Law (LAL). The central government makes use of a hierarchy of municipality. That is, at the top is Government Ordinance Designated Cities which have about 0.7 million people (0.5 million or more in LAL), next Core Cities which have about 0.5 million people (more than 0.3 million in LAL), Special Case Cities which have about 0.3 million people (more than 0.2 million in LAL), then normal cities, and towns, last is villages. A municipality in a superior rank has more administrative competences and more discretionary powers with respect to operations in its municipality. The more the population of a municipality increases, the more its discretionary powers expand. Therefore, an amalgamation gave a village the incentive to become a town, and a Core City to a Government Ordinance Designated City (Jacobs, 2011).

The number of municipalities has decreased from 71,314 in 1888 to 1,719 in 2012. The major cause of this decrease can be found in the three great

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\(^1\) Currently, there are 1,719 municipalities, comprised 787 cities, 748 towns and 184 villages in Japan in 2012.

\(^2\) Tokyo is the most densely populated prefecture with about 13 million people, while Tottori is the least populated with about 600 thousand inhabitants. In terms of size, Hokkaido is the largest of the all prefectures at approximately 78,000 km\(^2\), while Kagawa is the smallest with 1,877 km\(^2\).

\(^3\) The most populated municipality is Yokohama which has about 3.9 million people. The village of Aogashima with about 210 people is the smallest municipality. The largest municipality is the city of Takayama (in Gifu prefecture) which has 2,177.67 km\(^2\) and the smallest municipality is the village of Funahashi (in Toyama prefecture) which has 3.47 km\(^2\).
amalgamation periods: Meiji, Showa and Heisei⁴.

Why has Japan repeated the municipal amalgamations for 120 years since 1888? In particular, what mechanisms initiated the process of the amalgamations in Heisei era? Can we find that the municipalities which merged with others enjoy some advantages because of the amalgamations? Are the local residents happy through the amalgamations? In this paper, I would like to analyze the practice and consequences of municipal amalgamation in Japan and to discuss the implications of this for other countries.

Table 0-1: Changing of the Number of Municipalities 1888-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Cities</th>
<th>Towns</th>
<th>Villages</th>
<th>Total</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1888</td>
<td>-</td>
<td>71,314</td>
<td></td>
<td>71,314</td>
<td></td>
</tr>
<tr>
<td>1889</td>
<td>39</td>
<td>15,820</td>
<td>15,859</td>
<td></td>
<td>Enforcement of the City Code and the Town and Village Code</td>
</tr>
<tr>
<td>1922</td>
<td>91</td>
<td>1,242</td>
<td>10,982</td>
<td>12,315</td>
<td></td>
</tr>
<tr>
<td>1945</td>
<td>205</td>
<td>1,797</td>
<td>8,518</td>
<td>10,520</td>
<td></td>
</tr>
<tr>
<td>1947</td>
<td>210</td>
<td>1,784</td>
<td>8,511</td>
<td>10,505</td>
<td>Enforcement of the Local Autonomy Law</td>
</tr>
<tr>
<td>1953</td>
<td>286</td>
<td>1,966</td>
<td>7,616</td>
<td>9,688</td>
<td></td>
</tr>
<tr>
<td>1956</td>
<td>495</td>
<td>1,870</td>
<td>2,303</td>
<td>4,668</td>
<td>Enforcement of the Law for the Promotion of Construction of New Municipalities</td>
</tr>
<tr>
<td>1965</td>
<td>560</td>
<td>2,005</td>
<td>827</td>
<td>3,392</td>
<td>Enforcement of the Law on Special Measures for the Mergers of Cities</td>
</tr>
<tr>
<td>1975</td>
<td>643</td>
<td>1,974</td>
<td>640</td>
<td>3,257</td>
<td>Enforcement of the Law concerning Partial Amendments of the Law on Special Measures for Municipal Mergers</td>
</tr>
<tr>
<td>1985</td>
<td>651</td>
<td>2,001</td>
<td>601</td>
<td>3,253</td>
<td>Enforcement of the Law concerning Partial Amendments of the Law on Special Measures for Municipal Mergers</td>
</tr>
<tr>
<td>1999</td>
<td>671</td>
<td>1,990</td>
<td>568</td>
<td>3,229</td>
<td>Partial enforcement of the Law concerning the Provisions of Laws concerned with the Promotion of Decentralization</td>
</tr>
<tr>
<td>2004</td>
<td>695</td>
<td>1,872</td>
<td>533</td>
<td>3,100</td>
<td>Enforcement of the Law concerning Partial Amendments of the Law on Special Measures for Municipal Mergers</td>
</tr>
<tr>
<td>2005</td>
<td>739</td>
<td>1,317</td>
<td>339</td>
<td>2,395</td>
<td>Enforcement of the Law on Special Measures for Municipal Mergers, etc.</td>
</tr>
<tr>
<td>2006</td>
<td>777</td>
<td>846</td>
<td>198</td>
<td>1,821</td>
<td>Expiry of the transitional measures of the Law on Special Measures for Municipal Mergers</td>
</tr>
<tr>
<td>2010</td>
<td>786</td>
<td>757</td>
<td>184</td>
<td>1,727</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>787</td>
<td>748</td>
<td>184</td>
<td>1,719</td>
<td></td>
</tr>
</tbody>
</table>

Source: CLAIR et al. (2011, 351-353); MIC, Changes in the Number of Municipalities, from http://www.soumu.go.jp/kouiki/kouiki.html

1. History of Japanese Local Government

1-1 Before Meiji Era

Modern Japan started from the Meiji Restoration. Before that, from 1639 to 1853, Japan closed the country to other countries except for Holland and China. The

⁴ Meiji (1868-1912), Taisho (1912-1926), Showa (1926-1989) and Heisei (1989-) etc. are an imperial era name in Japan.
Japanese government (the Tokugawa Shogunate, *Bakufu*) and people were not familiar with either the foreign countries or people, and they had little understanding of European political systems and practices. The Tokugawa Shogunate governed centrally all of Japanese area and the feudal lords (*daimyos*) from Edo (now Tokyo) which was Bakufu’s capital. However, about 300 daimyos governed their own fief (*Han*). The Tokugawa Shogunate had very strong power over each daimyo and daimyo also had strong powers over his own Han including both its people and territory. In each Han there were many natural communities.

1-2 Meiji Era and Great Meiji Amalgamation
In 1867, the Tokugawa Shogunate was destroyed by anti-Shogunate samurai. Meiji Government, which consisted of the junior Imperial Courts and junior samurai, made their leader the Emperor and ruled the Japanese people. The restored Emperor Meiji’s Government abolished “Han” and established prefectures in 1871. At the beginning, there were 3 Fu and 302 Ken (72 Ken at the end of 1871) in Japan excluding Hokkaido. Meiji Government governed centrally the Japanese people and local communities under the slogan of “rich country, strong army”. The leaders of the Meiji Government thought that a centralized administrative framework had to be adopted in order to develop Japan.

In 1878, the Meiji Government enacted three new laws (*San-shinpo*): the Municipalities Formation Law (*Gunku-choson-henseiho*), the Prefectural Assemblies Act (*Fukenkai-kisoku*), and the Local Tax Ordinance (*Chihozei-kisoku*). Though the Meiji government tried to change "natural communities" and to subsume them under a centralized administrative framework in the Municipalities Formation Law, the communities in rural areas were very close and the government was not completely able to achieve its aim. For this reason, the government enacted the City Code (*Shi-sei*) and the Town and Village Code (*Cho-son-sei*) in 1888 which aimed to establish a modern local administration system. The Meiji Government promoted the municipal mergers. The first great municipal amalgamation, known as the Great Meiji Amalgamation, was carried out in 1888. Before the enforcement of the City Code and the Town and Village Code on April 1st 1889, amalgamations of towns and villages were carried out nationwide by the Announcement of the Standard for the Mergers of Towns and Villages (*Cho-son Gappei hyojun ni kannsuru Kunrei*), which was Home Minister Directive No.352 issued on June 13th 1888 (Yamanaka, 1994). This Announcement set up a standard of about 300-500 households in one town and village and enlarged the size of towns and villages at that time from a size that reflected that of natural communities in the Edo era to a size that was
suitable for the effective administration of education, tax collection, public works, relief work, and the family register. As a result, the number of towns and villages decreased by about one-fifth from 71,314 to 15,859 in total, forming 39 cities (CLAIR et al, 2011). The City Code and the Town and Village Code were almost all maintained until the enforcement of the Local Autonomy Law in 1947.

On February 11th 1889 the Constitution of the Empire of Japan, what is commonly known as the Meiji Constitution was promulgated. It was enforced on November 29th 1890. That Constitution did not secure a local autonomy in a municipality.

Prefectures were not local self-governing bodies with autonomy before the enforcement of a new Japanese constitution after World War II. In 1889 there were 3 Fu and 43 Ken, in short, 46 prefectures. In 1890 the Prefecture Code (Fuken-sei) was promulgated with the County Code (Gun-sei). Governors in each prefecture were appointed by the central government and had to obey supervisor of the Secretary of State for the Home Affairs. In each prefecture there was a prefecture parliament. However it had only voting rights of finance and the range of their authority was narrow. Prefectures under the Meiji Constitution had strong character as an administrative division of a state.

On the other hand, Japan increasingly strengthened its military strength having won the Sino-Japanese War (of 1894-5) and the Russo-Japanese War (of 1904-05). Japanese national (central) government and military authorities had absolute control over local bodies (administrations), and were able to mobilize Japanese people to war with the U.S. and others.

1-3 Showa Era: After World War II and Great Showa Amalgamation

Japan accepted the Potsdam Declaration on August 14th 1945 and was defeated in World War II. From 1945 to 1952 Japan was occupied by General Headquarters of the Supreme Commander for the Allied Powers (GHQ). GHQ initiated the democratization of Japanese government and society. The Constitution of Japan (present Constitution) promulgated in 1946 and enacted in 1947. The Constitution sets out local self-government in Chapter 8, as follows:


Article 92. Regulations concerning organization and operations of local public entities shall be fixed by law in accordance with the principle of local autonomy.

Article 93. The local public entities shall establish assemblies as their deliberative organs, in accordance with law.
The chief executive officers of all local public entities, the members of their assemblies, and such other local officials as may be determined by law shall be elected by direct popular vote within their several communities.

Article 94. Local public entities shall have the right to manage their property, affairs and administration and to enact their own regulations within law.

Article 95. A special law, applicable only to one local public entity, cannot be enacted by the Diet without the consent of the majority of the voters of the local public entity concerned, obtained in accordance with law.

Local autonomy is institutionally guaranteed by the Japanese constitution, enacted on May 3rd 1947. On the same day, Japanese government promulgated the Local Autonomy Law (LAL).

Japan was fairly democratized as a result of the post war reform policy of GHQ. However, GHQ changed the occupation policy in Japan, especially after the Korean War from 1950 to 1953. Japan became an independent country in 1952. After that year, the Japanese government aspired more and more to a centralized state and system, and prepared for municipal amalgamation. The government enacted the Law for the Promotion of the Mergers of Towns and Villages in October, 1953 and the Law for the Promotion of Construction of New Municipalities enacted in 1956. The national government said that after World War II, administrative tasks such as the construction and management of junior high schools under the new education system, fire defense and police administration, and functions related to social welfare, health and sanitation, should be newly assigned to municipalities, requiring rationalization of the size of municipalities so as to enable effective and efficient management of their tasks. The cabinet therefore decided the Basic Plan for the Promotion of the Mergers of Towns and Villages in 1953, which aimed at a decrease in the number of towns and villages to about one-third. Article 3 of the Law for the Promotion of the Merger of Towns and Villages in 1953 provided that towns and villages would have a population of about 8000 or more as a standard, and the Law in 1956 replaced the Merger Law in 1953. A population of about 8000 was taken as a target because it was considered necessary for a municipality to have such a population size as the minimum for the effective management of one junior high school.

In the Great Showa Amalgamation from 1953 to 1961, there were conflicts between municipalities about the amalgamations nationwide and a referendum was held in order to promote and to implement amalgamations. During the Great Showa Amalgamation, the number of municipalities decreased from 9,868 to 3,472 (CLAIR et al, 2011). After that time, the number of municipal amalgamations slowed down so progress in Showa era. There were

1-4 Heisei Era and Decentralization
The Heisei era began in 1989. There was the bubble economy of the late 1980s and the collapse of the bubble in 1990s, when the Japanese economy faced a difficult situation. Japanese Diet, which consists of Upper House and Lower House, passed the resolution about promotion of decentralization in 1993. A change of government occurred in the same year, the Liberal Democratic Party (LDP) which had been in power since 1955 was defeated and a coalition government which consisted of seven political parties without LDP and Communist Party became the governing party. The coalition members, especially the Social Democratic Party pushed for decentralization, and the national government passed the Decentralization Promotion Law in February 1995. And the Diet approved the law unanimously in May. As a result of this, the Committee of Decentralization Promotion was established in July 1995, and issued five advisory notices urged decentralization from 1995 to 2001.

The committee justified its promotion of the decentralization of power based on: (1) fatigue of centralization of administrative power system; (2) the correspondence to the transformed international society; (3) correction of the overconcentration of power and population in Tokyo; (4) formation of the characteristic community, and the correspondence to an aging society with a declining birthrate. The administrative tasks delegated by the national government to the office of governors and mayors (kikan i'nin jimu seido) symbolized central-local relations in Japan at that time. The national government controlled the local government through that system. As a result, the central-local government relationship was a ruler and ruled one. The committee insisted on "the abolition of the administrative tasks delegated by the national government to the office of governors and mayors" (kikan i'nin jimu seido no haishi) and a restriction of the central government interference in regional affairs. In spite of strong resistance of national bureaucrats, the Decentralization Law (Chihou-bunken-ikkatsu-hou) was approved by the Diet in 1999 and enacted in April 2000. The administrative tasks delegated by the national government to the office of governors and mayors were abolished and many of the central government’s jurisdictions were transferred to the local self-governing bodies.

1-5 Great Heisei Amalgamation
The Diet members, especially the politicians of LDP etc. asked to expand local self-governing bodies so that the competence transferred from the center to local government could be exercised more efficiently. Because the LDP, New Frontier Party, and the Democratic Party had already pledged promotion of the
municipal merger in the 41st general election of House of Representatives in 1996. The Committee of Decentralization Promotion also expressed the opinion of municipal merger promotion in November 2000. The reason for the last amalgamation was an attempt by the central government to strengthen the administrative and financial capacity of municipalities after the decentralization reform.

The national government encouraged amalgamations by amending a law called “the Law on Special Measures for Municipal Mergers (Shi-cho-son no gappei no tokurei ni kansuru horitsu)”. Article 4, section 11 provides that it possible for citizens to initiate a referendum on setting of an "amalgamation conference (Gappei-kyougikai)" after collecting signatures of one-sixth of the eligible voters. The result of this kind of referendum vote would only be the instigation of an amalgamation conference. Because of this the numbers of local popular votes rose sharply in that time.

Table 1-1: Transition of the Number of Municipal Amalgamations

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Mergers</th>
<th>Municipalities concerning Merger</th>
<th>Number of Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>1</td>
<td>4</td>
<td>3,229</td>
</tr>
<tr>
<td>2000</td>
<td>2</td>
<td>4</td>
<td>3,227</td>
</tr>
<tr>
<td>2001</td>
<td>3</td>
<td>7</td>
<td>3,223</td>
</tr>
<tr>
<td>2002</td>
<td>6</td>
<td>17</td>
<td>3,212</td>
</tr>
<tr>
<td>2003</td>
<td>30</td>
<td>110</td>
<td>3,132</td>
</tr>
<tr>
<td>2004</td>
<td>215</td>
<td>826</td>
<td>2,521</td>
</tr>
<tr>
<td>2005</td>
<td>325</td>
<td>1,025</td>
<td>1,821</td>
</tr>
<tr>
<td>2006</td>
<td>12</td>
<td>29</td>
<td>1,804</td>
</tr>
<tr>
<td>2007</td>
<td>6</td>
<td>17</td>
<td>1,793</td>
</tr>
<tr>
<td>2008</td>
<td>12</td>
<td>28</td>
<td>1,777</td>
</tr>
<tr>
<td>2009</td>
<td>30</td>
<td>80</td>
<td>1,727</td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>1,727</td>
</tr>
<tr>
<td>2011</td>
<td>6</td>
<td>14</td>
<td>1,719</td>
</tr>
</tbody>
</table>


At the beginning, however, the municipal amalgamations did not progress well, with many municipalities hesitating over their decisions. Because of this, the government offered hospitable financial incentives to local government on special bonds for amalgamation projects as “carrots” on the one hand, and

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6 From August 1996 (in Maki-machi where the first popular vote based on the local referendum ordinance by residents' direct demand, that is, petition) till the end of 2006, 348 out of the 364 popular votes were about municipal merger conferences. Only 4% (16 cases) were about another subject until 2006 (Igarashi, 2007).
performed drastic reduction of local grant taxes as “sticks” on the other hand. Due to serious financial difficulties and the pressure from the central government, and others, the local governments also finally accepted a suggestion of amalgamation from the government initiated process (Yokomichi, 2007). Many municipalities merged with others without a calm and adequate discussion of the amalgamation process. Finally, the Great Heisei Amalgamation that had first begun in 1999 came to an end in March 2012 and the number of municipalities was reduced from 3,229 to 1,719.

2. Why Amalgamation?
2-1 Differences among each wave of amalgamation
Why were the municipal amalgamations performed three times in Japan? Each municipal amalgamation of Meiji, Showa and Heisei was carried out in order to strengthen the administrative and fiscal foundations of local government.

The municipal amalgamation of Meiji aimed at converting natural communities from the Edo era into villages or towns suitable for effective administration, i.e. education, tax collection, public works, relief work, and the family register.

For the Showa amalgamation after World War II, on the other hand, the rationalization of municipality was required so as to enable effective and efficient management of their administrative tasks, i.e. the construction and management of junior high schools under the new educational system, fire defense and police administration, and functions related to social welfare, health and sanitation.

Both amalgamations were carried out aiming at the developing new society and state, while the last amalgamation was driven by more negative purposes, such as financial difficulties of national and local governments. Moreover, the central Government and the ruling party thought that it was necessary for municipalities to merge with others in order to strengthen the administrative and fiscal foundations with the decentralization.

2-2 Comment of the Committee of Decentralization Promotion
The Heisei amalgamation was closely connected with the decentralization. The Committee of Decentralization Promotion published the suggestions regarding the promotion of municipal amalgamations (Shi-cho-son Gappei no Suishin ni tsuiteno Ikensyo) in December, 2000 and justified the necessity for the Heisei amalgamation with the four reasons: (1) promotion of decentralization; (2) expansion of municipal administration; (3) balancing the finances between central and local government; (4) correspondence to the consciousness of the people as a tax payers.

Firstly, the Committee pointed out the promotion of the decentralization and
thought that it was important for an aging society with a declining birthrate to maintain and raise social vitality, and to build a truly decentralized society based on the principles of self-determination and self-responsibility. In order to make efficient use of the result of decentralization promotion, and respond to the advanced and diversified administrative tasks, it is necessary to attain autonomy of local government and full reinforcement of administrative and fiscal foundations through municipal amalgamation.

Secondly, the expansion of municipal administration was the one of the reasons for the promotion of the amalgamations. With the increasing expansions of daily social life area of inhabitants or economic activity, it is necessary to develop administration from a wide standpoint.

Thirdly, the Committee insisted on the balancing the finances between central and local government. Japanese public finance is extremely difficult and the outstanding obligation was about 645 trillion yen of central and local government at the end of the fiscal year 2000, the borrowed money of the local government was account for over 180 trillion yen. In spite of such difficult situations as the birthrate declines and the population ages, an increase of social security payment such as medical treatment and welfare is expected.

Fourthly, and lastly, the correspondence to the consciousness of the people as taxpayers was one of the reasons. Under severe local government finance, as aiming at substantiality and guarantee of local tax, municipalities have to obtain a broad understanding of the people as a taxpayer and a citizen. For that purpose, in view of the socioeconomic circumstances which the diversification measure etc. are taken in private enterprises and the people have a severe opinion about institutes of local administration and finance, municipalities have to carry out administrative and financial reform.

The Committee asserted that the municipal amalgamations have to be promoted energetically for those reasons and emphasized the positive effects of municipal amalgamations. In terms of the benefits of a municipal amalgamation, they mentioned (1) the development of city planning from a viewpoint of a wide area and the wide area adjustment of a policy; (2) improvement in the convenience of the inhabitants by expansion of administrative services and wide area use of public facilities; (3) adoption and reinforcement of the personnel with professional expertise and establishment of the permanent organization; (4) rationalization of administrative organization; (5) wide area and efficient arrangement of public facilities, etc.

On the other hand, in terms of the disadvantages of amalgamation, they pointed out that (1) the long distance between inhabitants and municipal government office, so the fall of inhabitants’ accessibility; (2) difficulties of the reflection of inhabitants’ opinion on policy and the attention to fine service; (3) generating of
the regional disparities between central areas and periphery areas; (4) loss of a sense of solidarity in regions; (5) the fall of service level and the increase in a inhabitant burden, etc. Consequently, municipalities and inhabitants may hesitate to merge because of those problems.

The Committee stated that it was necessary for these issues to be solved by examining sufficiently the merger in discussions between the municipalities, and to fully take the administrative and financial measure for an amalgamation. After pointing out like that, the Committee of Decentralization Promotion has described the promotion measure of municipal amalgamation. The Committee said that by March, 2005 when the Law on Special Measures for Municipal Mergers, etc. (*Shi-cho-son no Gappei no Tokurei-tou ni kansuru Horitsu*) came into force, the following six new measures were implemented in order to streamline the process of municipal amalgamations: (1) building of amalgamation support systems; (2) expansion of an initiative system, and introduction of a referendum system; (3) addition to the indicator about amalgamation; (4) measure on finances; (5) measure in the former municipalities; (6) lead to groundswell of the municipal amalgamation by information disclosure.

After making the comments outlined above, then strongly hoped and demanded that municipalities had to start to take measures to merge with other municipalities, and national government and prefectures had to make efforts to support municipal amalgamation.

In response to such a suggestion from the Committee, the Cabinet and the Ministry of Home Affairs, the Ministry of Internal Affairs and Communications (MIC) as it has been known since 2001, developed a promotional campaign for municipal amalgamation.

**2-3 Municipal amalgamation as the reform of the local areas**

The Committee explained the reasons for the municipal amalgamations. However, some scholars point out not only the decentralization, but the structural characteristics of Japanese local government system as the factors of the municipal amalgamations. The whole of Japan is divided into prefectures and municipalities without vacant spaces or overlap between them. Historically, the areas of municipalities depend on the old areas in case of the amalgamations (Kanai, 2007, 89-90). Moreover, many municipalities aspire to a population growth and its promotion to the higher-ranking of the municipal hierarchical system (Kanai, 2007; Jacobs, 2011). That is, the small village seeks to promote to the town, or the Special Case City aspires to go up to the Core City. That is one of the reasons why many municipalities merged with others.
3. Who did actually promote the municipal amalgamations after 1999

3-1 Committee of Decentralization Promotion and amalgamation

We may well question who did promote the municipal amalgamation after 1999? An emeritus professor of University of Tokyo, Masaru Nishio, who was a member of the Committee of Decentralization Promotion from 1995 to 2001, testifies to who did promote the last amalgamation. He suggested that an important advocate was the national lawmaker, especially a member of the ruling party, LDP. When members of the Committee of Decentralization Promotion explained the first recommendation of decentralization plan to LDP in December 1996, many lawmakers of LDP demanded municipal amalgamations and a limitation on the number of times a person can be elected to mayor and governor, if the committee promoted decentralization. As a result, the committee added “an improvement and establishment of local administration”, in concrete terms, “active promotion of voluntary municipal amalgamation” and “review of a many-times-elected head of local government” to a draft of second recommendation. As a result of aggressive actions of the LDP, the Ministry of Home Affairs, which had taken a neutral attitude to amalgamation before that time, changed to aggressive attitude which led to the great Heisei amalgamation (Nishio, 2007). His explanation is now generally accepted in Japan. He pointed out that the Heisei amalgamation was always conducted by “an initiative taken by a politician” (Nishio, 2007). After that time, the Committee of Decentralization Promotion also promoted the “Heisei no Gappei” as mentioned above.

In November 2002, the report on the future municipalities was published by Professor Nishio who was a member of the Committee of Decentralization Promotion from 1995 to 2001 and the government’s 27th Local Government System Research Council from 2001 to 2003. This report proposed two options to small municipalities: they have to opt out to have their power curtailed or be annexed into larger municipalities. In addition to this report, the Council published “The interim report on the future municipalities” in April 2003. The small municipalities were faced with the harsh realities through such reports.

3-2 The government’s response

The Law on Special Measures for Municipal Mergers was made a partial amendment and added a provision of special bond for post-merger projects in 1999. If municipalities applied to merge with other municipalities by March 2005 and finished amalgamation by March 2006, post-merger municipalities could issue bonds to public facilities, i.e. city auditorium, public library, etc.

And the council meeting of administrative and financial reforms promotion at Government parties in that time in 2000, that is, LDP, New Komeito and Conservative Party, expressed a goal that the number of municipalities should
be about 1000 with the goal of strengthening each one. In such a way, Heisei amalgamation was started when a national politician made a positive approach to the Ministry of Home Affairs (Nishio, 2007).

MIC emphasized the merits of amalgamation, especially “economies of scale”. The small municipalities were inefficient, therefore such municipalities should merge with neighbouring ones. They said that municipalities could avoid waste in terms of administration and public services. The central government repeatedly emphasized the advantages of amalgamation. However, municipalities made little progress towards amalgamation.

The central government gave instructions to prefectures to make a model (pattern) of an amalgamation in their own areas in August 1999. Municipalities did not merge at first. The course of things changed in 2003 when the central government reduced tax revenues distributed to local government and post-merger municipalities could issue bonds to public facilities by March 2006. As a result, many municipalities merged with others from 2004 to 2006.

Before amalgamation, some local governments held a referendum to ascertain residents’ wishes. It is appropriate for the referendum to take place, because a merger is an extremely important matter for residents. However, it is not necessary to hold a referendum on municipal amalgamation. If the local parliament and the mayor approve the amalgamation with other municipalities, the merger is able to materialize without residents having a say. Therefore, some municipalities ignored the opposition of a majority in a referendum and merged with other municipalities.

3.3 Political viewpoint of municipalities
Professor Akira Imai, from Fukushima University, showed in his article why a national lawmaker, especially the LDP which reduced the number of seats in the Diet, sought municipal amalgamation. Although the LDP sought to transform into an urban-type political party, that party continued to be defeated even after the municipal amalgamation (Imai, 2010).

He suggested that Junior Chamber International Japan (JCI) and Japan Chamber of Commerce and Industry (JCCI) were in favour of promotion of municipal amalgamation, and Central Federation of Societies of Commerce and Industry (CFSCIJ) and Japan Agricultural Cooperatives (JA) were positive, but a labor union (All-Japan Prefectural and Municipal Workers Union, JICHIRO) had a negative attitude towards amalgamation (Imai, 2010, 10-11).  

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7 The survey was conducted on 3,860 organizations concerned. The response rate was 47.9% (Imai, 2010, 9).
Table 3-1: Evaluation of the Heisei amalgamation by organizations concerned: “Did you think that the municipal amalgamations should be promoted, when the discussion about the amalgamations was held?”

<table>
<thead>
<tr>
<th>Organization</th>
<th>“Yes”</th>
<th>rather more “Yes”</th>
<th>rather more “No”</th>
<th>“No”</th>
<th>DK</th>
<th>not be counted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Chamber International Japan (JCI)</td>
<td>35.5%</td>
<td>26.2%</td>
<td>3.7%</td>
<td>8.4%</td>
<td>0.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Japan Chamber of Commerce and Industry (JCCI)</td>
<td>44.9%</td>
<td>27.2%</td>
<td>5.1%</td>
<td>18.7%</td>
<td>0.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Central Federation of Societies of Commerce and Industry (CFSCI)</td>
<td>20.3%</td>
<td>25.2%</td>
<td>21.3%</td>
<td>21.6%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>All-Japan Prefectural and Municipal Workers Union (JICHIRO)</td>
<td>12.2%</td>
<td>17.6%</td>
<td>28.3%</td>
<td>27.5%</td>
<td>0.6%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Japan Agricultural Cooperatives (JA)</td>
<td>19.8%</td>
<td>24.3%</td>
<td>20.9%</td>
<td>26.0%</td>
<td>2.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Imai (2010, 11).

On the other hand, inhabitants and local organizations did not perceive that they promoted the municipal amalgamation, while 80% of them recognized that national government promoted the amalgamation. However, many local organizations expressed their approval of a municipal amalgamation. Only approximately 10% of local organization leaders answered that the amalgamations had resulted in an improvement in services for residents. Many leaders thought that the amalgamation led to the efficiency of municipal or national administration and finances (Imai, 2010, 15).

In response, Professor Imai investigated in more detail the municipal amalgamation “Heisei no Gappei”. He pointed out principal themes from a political viewpoint. The first was that municipalities did not have a spontaneous motivation for that amalgamation. The Heisei amalgamation was due to outside factors, i.e. many pressures from national lawmakers, or financial difficulties caused by national policy. However, many municipalities gave in to pressures for amalgamation without compulsion, so we can recognize nationwide many amalgamations in Japan (Imai, 2010). Moreover, he pointed out that although municipal areas were larger than before, the number of polling stations has been reduced after the amalgamation. For example, polling stations in the City of Tottori, which was the result of a merger of 9 municipalities, were reduced from 140 to 92 stations. In short, a decrease in the number of polling stations brought about a difficulty of political participation.\(^8\)

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\(^8\) The voter is able to vote only at polling station in Japan. In principle, Japanese voter cannot vote by mail or e-voting.
4. The result of the Heisei amalgamation and the impact on the local government

4-1 Evaluation of the municipal amalgamations

The number of municipalities was reduced from 3232 in 1999 to 1821 in 2006. “The research group of municipal amalgamation (Shi-cho-son no Gappei ni kannsuru Kennkyukai)” in MIC published a report “Evaluation, Verification and Analysis of the Heisei amalgamation (Heisei no Gappei no Hyoka, Kensyo, Bunseki)” in 2008 and made an positive evaluation of the Heisei amalgamation. They pointed out only a few negative effects of mergers on municipal administrations (The research group of municipal amalgamation, 2008).

On the contrary, a report of “The actual circumstances and evaluation of Heisei no Gappei” published by the National Association of Towns and Villages criticized the municipal amalgamations and emphasized the disintegration of communities. They described how the reduction of the fiscal expenditure seen in post-merger municipalities was accompanied by degradation in resident services and the harmful effects, such as weakening of solidarity between administration and residents, and a decline of the periphery of a post-merger municipality. They said naturally fiscal expenditure is reduced by the reduction of personnel numbers, and dissolution of redundant investments, etc. However, they stressed the negative effects of amalgamation. Moreover, they pointed out that some municipalities without amalgamation progressed local management with administration and residents own jointly “attachment” and a "sense of responsibility" in severe financial situation. They evaluated the towns and villages with the efficient financial and administrative operations in which solidarity of administration and residents was active used (NATV, 2008).

In March 2010, a validity of the Law on Special Measures for Municipal Mergers, etc. expired and the national government said that great Heisei amalgamation had been largely achieved a certain point. That law was revised and extended till 2020. The new Law is the law removing the obstacles to mergers rather than the promotion of mergers.

In 2010, MIC published a report “on the Heisei amalgamation (Heisei no Gappei ni tsuite)” and stated that the national government promoted nationwide the municipal merger for administrative and fiscal basis establishment of municipality from 1999. Moreover, MIC recognized that residents and administration in post-merger municipalities and public opinion had completely different evaluation about the last amalgamation, that is, while some are positive, others are negative. They said that each municipality should choose the best method from a strengthening of administrative and fiscal basis by amalgamation, an association of public services set up to cover several local government areas, and a complement by a prefecture, because the role of municipality as basic local government becomes more and more important with decentralization.
(MIC, 2010b). This is a great burden on some municipalities. In Japan, about 37,000 people per municipality in the 1990s increased to about 74,000 people in 2012. Japanese municipalities have a larger population than the Netherlands (37,214 in 2007) and the Nordic countries, i.e. Denmark (56,239 in 2007) and Sweden (31,198 in 2007) (Loughlin et al., 2011, 743). Japanese municipalities are very large and a community within a municipality has to be reorganized, and conflicts have occurred between communities in each merged municipality. Therefore, in the case of the Heisei amalgamation, the parliament and mayor of Yamatsuri town in Fukushima prefecture declared that they will not merge with other municipalities in direct opposition to the national amalgamation policy, because they had a severe conflict in the Showa amalgamation.

4-2 After the East Japan Great Earthquake

When natural disasters occur, residents may have no public office or staff to depend on. In many municipalities the people did not think and discuss about the various aspects of the municipal amalgamations before the disaster of unheard-of dimensions. Without enough awareness of these potential problems, some residents agreed to the merger. East Japan suffered from a great earthquake on March 11th, 2011. The earthquake and tsunami devastated the coastline of northeastern Japan and killed more than 15,000 people. About 20 days after that, the Naoto Kan government expressed a design of a special law for acceleration of amalgamation in the stricken area. The government aimed to strengthen the municipal administrative function and financial basis, and to establish the receptive municipality for reconstruction policy by national government initiative. For that purpose, the government thought the procedure of amalgamation was reduced to simple form efficiently by the special law. In the end, that special law was rejected as a result of local opposition. Moreover, local government criticized severely the style of national government in the Heisei amalgamation (The Asahi Shimbun, March 31, 2011).

Kahoku Shimpo which is local newspaper in Miyagi prefecture, in an article of November 16th, 2011 remarked that “the challenge facing enlarged municipalities, as a result of the Heisei amalgamation, was clearly demonstrated by the east Japan great earthquake”. The city of Ishinomaki in Iwate prefecture had the most earthquake victims (about 5800 persons) of all post-merge municipalities. That city had consisted of 1 city and 6 towns in 2005. Ojika-cho was the town of Ojika as a local government before the merger, but now is one area of the city of Ishinomaki. The number of the staff at the branch office of Ishinomaki city hall has reduced to 40% personnel of the old Ojika town hall. That area did not receive support from the head office of city, because a tsunami
destroyed all roads from the centre to that area, and Ojika-cho was cut off. At that time, the branch office of Ojika-cho had only 47 personnel, who had to make a first rescue operation. Then, an executive of the city admitted regional differences concerning progress of reconstruction plan. They have a criticism that the voices of residents are no longer reflected in the city administration, as they had been before. And nobody can make an important decision in branch office without a mayor (The Asahi Shimbun, May 30, 2011).

On the other hand, the city of Miyako in Iwate prefecture is also a merged municipality. That city area enlarged 4 times after the merger. The city hall was destroyed by a tsunami. But other areas of Miyako city, which were separate municipalities before the Heisei merger, supported the central area where the city hall stands.

We have different opinions about municipal amalgamation with regards to reconstruction from the east Japan great earthquake. MIC evaluated the city of Miyako in Iwate prefecture. In another case, an enlarged municipality was not quickly able to support its residents, because its area is too large in administrative roles. The efficiency of administration and finance was the primary goal of the great Heisei amalgamation, but the issue of disaster support was not adequately considered at that time. The municipal personnel were reduced in pursuit of ever-increasing efficiency, while “economies of scale” attracted people’s attention and municipal areas were expanded. This suggests that, overall, people had considered only the merit of the merger.

### 4-3 Viewpoint of the parties concerned

Who is happy about the Heisei amalgamation? National Association Chairmen of Town and Village Assemblies (NACTVA) distributed a questionnaire on their opinion to all members of town and village parliament in Japan in November-December 2011\(^9\). One of the 23 questions asked what they thought about the last amalgamation in their prefecture (see Table 4-1). The most common response was “I don’t understand the result of a merger” at 38.6% of all respondents. The second was the reply of 28.9% that “I consider that it was better not to carry out a merger”. The answer “I consider that we have the good result of a merger” is 13.9% of all respondent, therefore there were few positive answers (NACTVA, 2012b). In other words, about 70% of the respondents have a negative opinion of the last municipal amalgamations.

\(^9\) The survey was conducted on 11,687 members of the towns and villages assemblies all over Japan. The response rate was 57.3% (NACTVA, 2012b, 1).
Table 4-1: What do you think about last amalgamation in your prefecture?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I consider that we have the good result of a merger.</td>
<td>14.0%</td>
</tr>
<tr>
<td>2. I consider that it would have been better not to carry out a merger.</td>
<td>28.9%</td>
</tr>
<tr>
<td>3. I do not find the result of a merger.</td>
<td>38.7%</td>
</tr>
<tr>
<td>4. Other</td>
<td>7.8%</td>
</tr>
<tr>
<td>5. DK, NA</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

Source: NACTVA (2012b, 19).

After the amalgamation process, how do local organizations evaluate their amalgamation? According to the results of the investigation of Professor Imai, JCI (positive answer: 58.1%) and JCCI (52.6%) have affirmative evaluation, and CFSCIJ (23.0%) and JICHIRO (17.3%) have negative, JA (at 42.8%) is undecided in both middle (Imai, 2010, 27).

Table 4-2: Evaluation of the Heisei amalgamation by local organizations: “Are you satisfied with the results of the amalgamations?”

<table>
<thead>
<tr>
<th>Organization</th>
<th>“Yes”</th>
<th>rather more “Yes”</th>
<th>rather more “No”</th>
<th>“No”</th>
<th>DK</th>
<th>not be counted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Chamber International Japan (JCI)</td>
<td>17.1%</td>
<td>41.0%</td>
<td>5.1%</td>
<td>4.3%</td>
<td>31.6%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Japan Chamber of Commerce and Industry (JCCI)</td>
<td>16.8%</td>
<td>35.8%</td>
<td>11.6%</td>
<td>7.5%</td>
<td>25.4%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Central Federation of Societies of Commerce and Industry (CFSC)</td>
<td>4.4%</td>
<td>18.6%</td>
<td>22.1%</td>
<td>33.3%</td>
<td>20.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>All-Japan Prefectural and Municipal Workers Union (JICHIRO)</td>
<td>2.6%</td>
<td>14.7%</td>
<td>19.2%</td>
<td>34.7%</td>
<td>27.9%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Japan Agricultural Cooperatives (JA)</td>
<td>9.5%</td>
<td>33.3%</td>
<td>17.9%</td>
<td>14.4%</td>
<td>23.4%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Source: Imai (2010, 27).

Professor Yuta Natori indicated that a municipal amalgamation had a negative effect on democracy, because expansion of the government scale by a municipal amalgamation reduced the voter turnout. In support of this claim, Mr. Takumi Horiuchi analyzed that the elections of parliamentary members and mayor has also lowered the voter turnout in a municipality merged with other municipalities. If the municipal amalgamation process brought about the loss of function of democracy, we may say that the parties responsible for promoting it had the lack of understanding or made light of local autonomy or a municipality (Imai, 2010, 31-32).

After the defeat of the LDP in election of the members of the House of Councillors in 2007, a committee of election summarization indicated that a decrease of conservative politicians and mayors at the local level by the Heisei
merger had the effect of weakening the local organization of LDP (The Asahi Shimbun, August 25, 2007). The quality of local autonomy in Japan was surely damaged by the amalgamation. Especially, a loss of resident (citizen) autonomy leaves a legacy of uncertainty in the future. The concept of local government was changed by the series of amalgamations (Imai, 2010, 40). Japanese local government has become merely a service provider, whose efficiency is very important, while democracy has been weakened.

4-4 Amalgamation for the central government
The great amalgamations which have taken place in Japan were carried out for the sake of central government rather than local government. Historically, when the national government wished to easily and surely control a municipality, the nation has always taken the initiative in amalgamations. Though article 1 of the Law on Special Measures for Municipal Merger provides “autonomous municipal amalgamation”, municipalities did not spontaneously carry out mergers. Therefore, the national government led the drive for municipal amalgamation. The great Meiji amalgamation and Showa one had relatively clear and rational grounds, whereas the great Heisei amalgamation did not have grounds which gave municipalities a clear grasp of the situation. As a consequence, many municipalities and residents have not accepted the last merger up to now. Who is happy? No one is happy through the municipal amalgamations, except the central government is perhaps satisfied with the amalgamations.

Conclusion
Process of the Heisei amalgamation
In the 1990s the decentralization began in Japan and many tasks were transferred from the central government to the municipalities in 2000. The municipalities have been required to become independent and autonomous. Article 1-2 of the Local Autonomy Law, amended in 2000, states that local government shall carry out its role independently and synthetically in the area with the aim of improving of residents’ welfare. After the decentralization reform, local government, especially the municipality which is close to residents, is required to preferentially carry out administrative affairs and public undertakings. At the same time, the number of local public employees has been reduced by administrative reform. Thus, although the amount of work in municipalities is increasing, the number of the personnel is fewer than before. Since it was necessary to strengthen the administrative and financial foundation of municipalities, the national government promoted the municipal amalgamation.
The central government formally said the municipalities should merge with others on their own judgment. However, many municipalities were not very positive about the amalgamation. Therefore, the central government strongly promoted the municipal mergers. Consequently, the number of municipalities was reduced to approximately 53% and the average population of a municipality was increased through the Heisei amalgamation.

Consequences and reflections
Consequently, although mergers have been shown to be effective in controlling fiscal expenditure to some extent, it is not necessarily efficient for all administrative fields. That is to say, “economies of scale” through mergers are advantageous for reducing public expenditure, especially in terms of labor costs, but the quality of administrative service tends to deteriorate with mergers. Because the numbers of personnel and members of an assembly in each municipality were reduced by the merger, municipal financial expenditure was able to be controlled to a certain extent. However, residents in the periphery of merged municipalities have to go a long distance to their public office. And there are serious disparities between centre and periphery post-merger.

It may be that the municipalities are able to efficiently provide public services for inhabitants. But the democracies in the municipalities were weakened since the number of members in local parliament and the opportunities for local elections (vote places) have both been reduced through the municipal amalgamations. Moreover, the communities in periphery areas of large cities have declined rapidly and the inhabitants are now forced to travel long distances to visit their city hall. Some communities in the periphery of the municipalities were destroyed through the amalgamation and do not work well. Therefore, the amalgamations damaged the democracies of those areas.

As a result, people disagree about how good the Heisei amalgamation is. The people involved in the municipalities, especially the towns and the villages, have the negative opinions about the Heisei amalgamation at present. However, some lawmakers, especially the LDP and parties of the right-of-center faction, and the organizations of business leaders, especially Japan Business Federation (Keidanren) discussed a ‘state and county’ system (Do-shu-sei), or that is similar to the consolidation of the present regional administrative structure of preference into larger administrative units. National politicians hope for “Do-shu-sei” next time.

Implications for other countries
In Japan, we have had three great municipal amalgamations in 120 years. Each municipality has become larger and larger with every merger. However, local
autonomy by the residents has not grown with mergers. On the contrary, the communities were destroyed through the amalgamations. In the Heisei merger the opportunity for political participation of residents has been reduced. Consequently, national lawmakers, bureaucrats, local government and residents also accepted the amalgamation policy, so the great Heisei amalgamation progressed more rapidly and extensively than we had expected before. Many municipalities thought “Don’t miss the bus!” or “Don’t fall behind the times!” In my own opinion, the last amalgamation was not successful, especially in terms of local democracy. But unfortunately, it’s no use crying over spilled milk.

If the policy of a municipal amalgamation is carried out in other countries, the full discussion about a local democracy and the consensus in the community are absolutely indispensable. Without that, no one will be happy through the municipal amalgamations.

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References


The Asahi Shimbun, “Fukko-koritsuka nerau” The Asahi Shimbun, March 31st,
Prefectures, prefectural capitals, and the number of municipalities by prefecture (as of October 1, 2008)

Source: CLAIR (2010, 5).