Reform of Local Administration and Urban Governance in Japan

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Abstract: There are various discussions on the concept of governance in Japan. The government emphasises governance reform as a reform of the administration. This article attempts to examine the use of this concept, consider the Japanese context of emphasis on urban or local governance and look into the practices of the governance reform in some cities. The trends in administration—especially at the local level—have clearly changed in the last ten years; however, some significant issues remain.

*Keywords*: urban governance; Japan; NPM; participation; administration; reform

**Introduction**

More than ten years have elapsed since the concept of governance began to be regularly and actually used in social sciences, including political science. There are various discussions on this concept in Japan. However, the concept of governance as well as that of urban governance continues to be unintelligible, and the difference between government and governance is not understood by people. For example, in 2004, the Japanese National Language Research Institute proposed that the words ‘government’ and ‘governance’ should both be translated as ‘tochi’.

Meanwhile, the Japanese government emphasises governance reform, especially in the contexts of decentralisation, promotion of municipal mergers and crises in public finance. For example, the Ministry of Internal Affairs and Communications (MIAC) states that reform of the local administration under the concept of governance became important in each municipality after the decentralisation in 2000 and the recent promotion of municipal mergers¹. In this manner, the word ‘governance’ has been used as a higher standard and its concept is vague.

Therefore, this paper first compares recent definitions of governance in the context of political science in Western countries and in Japan. It then examines the context of emphasis...
on urban or local governance in Japan. Finally, it considers the practical aspects of governance reform in some municipalities.

**Concepts of Governance**

1. Concepts of governance in Western countries

Pierre and Peters (2000: 14–27) noted that there are different ways of thinking about governance: governance as structure, governance as process, etc. The situation has not changed much since their work was published, and the discussion on this notion continues even today.

Their work focuses attention on governance at three levels. First, governance or multi-level governance appears in the global and international arenas—especially within the European Union and in the relationship between EU institutions and institutions in the member states (including local governments) (Hooghe and Marks, 2001). Second, governance at the level of the nation state is much more important. A key component is networks (for example, informal public-private communication), and networks sometimes become powerful enough to resist state influence. Third, at a local level, new forms of governance, manifested in a more inclusive and encompassing urban policy ‘style’, and more elaborate public-private networks and co-operation have emerged.

From this perspective, three types of displacement of state power and control have occurred: upward, towards international actors and organisations; downward, towards regions, cities and communities; and outward, towards institutions operating under considerable discretion from the state (Pierre and Peters, 2000: 75–79). More specifically, the concept of governance is based on the fact that the systems of rules and control of different phases of activity of the public policies became multi-actors to form a partnership between public and
private actors as well as multi-levels to link and co-ordinate different levels of initiative and responsibility (Gaudin, 2004: 208–210).

In particular, at the local or urban level, the concept of governance is shaped by the pressure for decentralisation, the greater involvement of private actors in public policy-making processes, the reshaping of local politics and demands to reform the quality of service delivery and organisations (Cole and John, 2001: 8–10).

2. Concepts of governance in Japan

In Japan, there are few theories that view local governments as actors and regard governance as a policy process among local governments at a single level or multi-level, or between the central and local governments.

Most political scientists and public officials see governance as a condition in which habitants or citizens participate in the policy process through a new governmental or public non-governmental circuit as well as a traditional governmental one. Also in this paper, the latter concept of governance is principally used.

In one of the most important Japanese political science dictionaries, ‘governance’ is defined as follows (Inoguchi, et al., 2000: 1134). On one hand, deliberations, participation, human rights, equality, openness, explanation and sympathy are recognised as important values. On the other hand, ‘the way of public decision-making by expressing each individual preference is apt to come to a standstill. To correct this defect, the means of determining collective preference after changing one’s preference in the process of deliberation is revalued’. Further, ‘participation in public decision-making is emphasised in terms of taking personal responsibility instead of asserting oneself or showing off one’s power’. This ‘participation in the core of government’ or ‘government based on sympathy with global citizens’ is governance.
3. Governance and the reform of public administration

Recently, there have been three important changes with regard to the idea of policy process and public administration. These are the elements of transition from the traditional governmental system to the new governance system.

First, the transparency of public administration and the expansion of the participation of citizens or habitants in policy-making or decision-making should be secured. Public administration is no longer versatile. It is unquestionable that its resources are limited. Given this situation, the concern of citizens or habitants centres on how much public administration costs for how much service, and for whom this service is provided. Fairness and impartiality are imperative for public administration. Information disclosure and clarity of administrative procedure are necessary, and governments become accountable for this. In Japan, some important laws about information disclosure and administrative procedure have been progressively established over the last fifteen years. More recently, there have been some experiments to increase the opportunities for citizens or habitants to participate in planning. Public advertisements for members of administrative councils (for example, the Administrative Reform Council and the Advisory Committee for General Planning) have been issued, and a system of public comment has been introduced.

Second, actors belonging to the private sector began to participate in the implement of policy, which was decided upon by the governments. Theories of reform of the public administration that are mainly concerned with efficiency have proposed privatisation or entrustment to the private sector. They suggest that the works of public officials may be accomplished efficiently if they are implemented by actors from the private sector. It is possible to reduce the number of not only government affairs but also public officials. Non-profit organisations (NPOs), volunteer groups, and existing neighbourhood associations as
well as businesses are included in this private sector. Businesses will undertake affairs if
profit-making is expected. However, it is possible that no party will assume the post of
provider of services, if affairs that are abandoned by the government are unattractive for
businesses. In such cases, the government has to merely depend on volunteers from among
habitants or citizens. We can consider this as a form of collaboration with the private sector.

Third, the system of evaluation of the affairs of administration and the notion of the
policy process cycle are introduced. Usually, the policy process consists of three phases:
planning, decision and execution. In this process, governments do not measure the success or
failure of the policy that is implemented. Moreover, the policy is maintained even though it
barely conforms to the new circumstance. This enlarges the public administration
considerably. However, recently, a new idea has been implemented in the mainstream: the
next plan or policy should be elaborated after measuring the success or failure of the former
policy; in other words, the stage of evaluation follows that of execution. This is the new
policy cycle of ‘Plan—Do—See’ or ‘Plan—Do—Check—Act’ (PDCA). Essentially, policies
that are not necessary for citizens or habitants, or of which the objectives have accomplished,
should be terminated. Further, it is necessary for citizens or habitants to participate in the
process of measuring the success or failure of the policy from their perspectives.

When these three changes are considered comprehensively, it is obvious that, first, the
extension of policy process to the stage of evaluation or check (in other words, the
establishment of the new policy cycle) and, second, the participation of actors from the
private sector in each phase of PDCA are progressively implemented. These are the
transitions from government to governance or good governance. Figure 1 indicates the policy
process of the age of government and Figure 2 indicates that of the age of governance. In
Japan, this concept of governance has diffused rapidly and has taken root over ten years
through the process of reforms of the administration at the central or local level (Sagawa,
Obviously, the idea of new public management (NPM) effects such changes. Yamamoto (2002: 122–125.) quotes four basic principles of the NPM: achievement-oriented climate, consumer orientation, application of market mechanism and decentralisation. These four goals should be pursued while promoting the reform of public administration.

This is the approach that attempts to capitalise on the affairs of public administration. If the reform that accompanies the notion of governance is promoted, gaps between citizens/habitants and government/local government will generally be bridged. In fact, ‘it is appropriate that we perceive that the reform of administration is rooted in the model of management of the government by incorporating the method of governance’ (Yamamoto, 2002: 128).

Nonetheless, as Nakamura (2004: 14–16) points out, NPM often depends on political decision while demanding the rationalisation and efficiency of public administration. This is a defect of NPM. Although the affairs are high-cost and unfruitful, there is a high possibility that they will be enforced if a powerful interest group is in favour of this. Further, it is equally possible that any essential affairs not promoted by a powerful interest group will be dissolved or abolished. As a result of the NPM reform, income disparities will expand and vulnerable groups will be abandoned in many countries. In this respect, it is necessary to exercise caution with regard to the linkage of governance to NPM because the latter is faced with the problem of inequality.

This is the overview of the general conditions surrounding the introduction of the concept of governance to the policy process and the public administration in Japan.

**Context of Urban Governance in Japan**
In order to consider urban governance, general information about the existing local politico-administrative system in Japan will be provided.

1. Existing local authority organisation

An ordinary local authority consists of an executive branch and a legislature. The legislature (the elected council) determines budgets, enacts local legislation, and makes decisions on its policies. It includes the municipal assembly as well as the prefectural assembly. This system was established by the Local Government Act in 1947.

The executive branch implements the policies enacted by the legislature. It includes mayors and their executive committees at the municipality level. Municipal government in Japan is based on the presidential system, where mayors and councillors are directly elected, and functions on the principle of a separation of powers and internal checks and balances to ensure democratic local administration (CLAIR, 2005: 44).

The systems allowing residents to participate directly in local authority affairs supplement the usual democratic process. The initiative is carried out by a specified number of signatories demanding the approval, amendment or abolition of bylaws; special audits; dissolution of the council; and the dismissal of mayors and councillors (CLAIR, 2005: 51).

2. Decentralisation, municipal mergers and the participation of habitants

The Comprehensive Decentralisation Law came into force in April 2000. Accordingly, local governments establish an equal and co-operative relationship with the national government, and they are expected to carry out the administration independently and responsibly in accordance with individual local circumstances. The principal changes of this reform are as follows (CLAIR, 2005: 62).

(i) Clarification of the respective rules of the central and local governments

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

(ii) Abolition of the system of delegated functions

In order to establish a new equal and co-operative relationship between the central and local governments, the system of delegated functions was abolished and the functions of local governments were restructured into self-governing functions and statutory entrusted functions.

(iii) Re-examination of central government involvement

The Local Autonomy Law established the basic principles for involvement, the basic types of involvement for new administrative categories and the procedures for handling disputes concerning such involvement.

(iv) Establishment of local government administrative systems

It is necessary to promote voluntary mergers of municipalities, revitalise local assemblies and ease the requirements for core cities in order to improve the administrative and financial capabilities of local governments and establish local administrative systems.

At the same time, amid the changing circumstances surrounding the municipal administration, such as the declining birth-rate and the aging population, and financial difficulties both in the national and local governments, there is a growing call for municipal mergers in various regions in order to maintain and improve the quality of municipal public services and increase efficiency in municipal administration. In particular, according to the Municipal Merger Law, the central government and the prefectures have promoted municipal mergers. The number of municipalities has drastically decreased from 3,232 in 1999 to 1,820 on April 1, 2006. As a result, the participation of habitants in the policy process at the municipality or community level has become critical.
3. Policy of reform of local administration

To deal with progress in decentralisation, the central government demands that local authorities establish simple and efficient administrative systems. Each local government is forced to reform its administrative system. By hearing the habitants’ opinions and winning their participation in the process, each local government drafts a plan for re-examining its work, reviewing its organisational structure, rationalising the number of staff members and their wages, and encouraging the skill development and enhanced awareness of the staff.

The local governments draw up their plans or policies by taking into account their conditions and the opinions of the habitants. However, it is difficult for each local government to develop its uniqueness because it held numerous agency-delegated functions before the decentralisation in 2000 and could not greatly depend on the fiscal resources of the central government, since the usage of these resources is limited. With regard to the reform of the local public administration, the State has imposed a specific manner of reform. A number of local governments embraced the governance reform with a pioneering spirit. For example, some efforts of local governments towards information disclosure or administration evaluation spread across the country and became a standard. Nonetheless, most local governments begin their activities at the ‘dictation’ of the central government.

For example, the Administrative Reform Promotion Office was established in the ex-Ministry of Home Affairs in November 1996. The Ministry notified ‘the Guideline for the Reform of Local Administration in the New Age’ in November 1997. At that time, almost all the local governments drew up their outlines of the reform of administration according to the central government’s model. The Ministry would announce the goal-attainment level of the private consignment, the staff cutbacks, the lowering of staff wages, etc., and the local governments would compete with each other.

According to the Guideline of 1997, ‘the understanding and the co-operation of
habitants’ for the reform and the ‘securing of fairness and transparency’ should also be emphasised as well. The above promotes the governance reform from our standpoint in this paper.

In March 2005, after the decentralisation, the MIAC compiled a new guideline in which it advised local governments to proceed with the reform by ‘using examples from this guideline’. It proposed that each local government should collaborate with actors from the private sector to create a simple and efficient administration. This is also a kind of governance reform, even though the word ‘governance’ is not used.

Thus, the situation is the same in all cases: the central government forces local governments to carry out the governance reform even after decentralisation. Based on this, it can be said that the governance reform of local administration, whose main principle is the NPM, proceeds from above in Japan.

Urban Governance Practices

1. Reform of local public administration—habitants’ participation in the process

Although the reform is driven by the central government, some opportunities for the participation of habitants also appear at the urban or local level (Sagawa, 2005: 26–28). The following is a sentence in the Guideline of 1997: ‘Local administrative reform should be promoted along with sufficient participation of habitants.’ How has the policy of the reform of administration proceeded in the urban municipalities?

Each municipal government enacts an ordinance to establish a committee for the reform of administration. The ordinance determines the composition and role of the committee. In addition to the local authority, the headquarters for the promotion of the reform consists of directors of principal sections of which the mayor is the chief.
After the establishment of the committee, the mayor consults it regarding the reform. The committee deliberates on the drafts of the outlined broad reform of administration and plan, and it recommends the final drafts. These drafts are then discussed and formalised at the headquarters for the promotion of the reform. The mayor provides an explanation of the proposed reform to the council. The local authority proceeds with the implementation of the reform and the committee monitors the progress of the plan every six months. This process is commonly followed.

How do habitants participate in this process? First, they can participate through the committee. Normally, it has 5–20 members who are experts (academics, chartered accountants, certified tax accountants, management consultants, etc.), representatives of various quarters (chambers of commerce, trade unions, social welfare organisations, medical associations, agrarian organisations, women’s groups, etc.), and representatives of habitants (neighbourhood associations, NPOs for community renovation, etc.). The request for the appointment of these members is made by the public officials to the concerned individual or organisation. Additionally, many municipalities accept the open recruitment system for some members. Habitants who apply are screened and interviewed prior to being selected as members. Members who are selected through this process tend to have a sense of the New Political Culture.

In most cases, a department in the General Administration Division prepares the primary draft of the outline and the plan. The discussion in the committee ordinarily proceeds in the form of questions posed by members, which are then answered by the administrator. During the discussion, the members—especially those selected from among applicants and the representatives of businesses—press for the outsourcing of affairs and the trimming of personnel costs. In response to this, numeric targets in the draft are often revised.

The procedure of public comment proceeds in parallel with this discussion. The
municipality releases the drafts on its Web site and invites the public to offer their opinions or comments by e-mail, fax or post. However, there are generally not too many comments. The department of reform of the administration responds them directly or indirectly (on the Web site), and the comments from habitants are quoted at the meeting of the committee and reflected in the final draft in some cases. Incidentally, as a general rule, the meeting itself and its official minutes are open to the public. The official minutes of meetings—even those at the municipality level—can easily be accessed on the Web site.

After the establishment of the outline and the plan of reform of administration of the municipality, the meeting is held approximately once every six months to monitor the progress of the plan. However, the amount of time allotted for this is insufficient.

In this manner, the participation of habitants in the process of reform of the local administration increases considerably, as long as the approach is uniform across the country.

2. ITC and urban policy-making

Developments in information and communication technology (ITC) are also changing the form of Japanese urban governance. In effect, this is also a form of reform of the administration. The Japanese central government promotes electronic local as well as central administration. In this scenario, some aspects of e-municipality appear. In particular, the electronic conference room system has emerged as an effective tool for urban governance in terms of policy-making. Seven hundred and thirty-three local governments, including prefectures as well as municipalities, used this system in December 2002. Some important examples are introduced below.

A. Citizen’s electronic conference in Fujisawa City

The Citizen’s Electronic Conference in Fujisawa City is the most famous such system in Japan, as is mentioned in a United Nations report (United Nations of Economic and Social
Mis en forme : Police : Times New Roman

Affairs, 2003: 100). This went into full-scale operation in April 2001.

Fujisawa City in Kanagawa prefecture has a population of almost 390,000, of which 2,855 individuals are members of this conference as of June 1, 2006. Especially in the town hall segment of the electronic conference, residents exchange views on subjects proposed by themselves or the city authorities. A steering committee consisting of citizens selected from among applicants conducts this conference. The opinion of the speaker is expressed under his/her own name.

After the exchange of opinions in each segment of the conference, the steering committee brings a proposal to the city hall if there is a consensus on it. Then, the Citizen Autonomy Development Division of city work reflects on the proposal (Kaneko et al., 2004).

B. Community, No Matter Where: Yamato City

In January 2000, Yamato City, also in Kanagawa prefecture, established the system of electronic community: Community, No Matter Where (Dokodemo Community). In May 2006, this community had 3,521 members, including 2,098 citizens, 1,411 officials, etc. in May 2005 (the population of this city is almost 220,000). In this community, discussions about urban policy, environmental affairs, a way for the administration to collaborate with residents, etc. are developed. The statements are sent to all officials via e-mail. Further, officials in charge of these subjects are expected to answer questions in the community (Citizens Council of Dokodemo Community, Yamato City, 2002). In 2004, a total of 1,020 opinions were generated.

3. Collaborative evaluation of urban policy

Further, according to the MIAC, almost 50% of the municipalities have a system of administrative evaluation in operation. In many cases, internal evaluation is the principal method and, secondarily, the evaluation committee that includes a few members of the public
provides external evaluation. In actuality, not too many municipalities prepare schemes to reflect the general citizens’ opinion of the evaluation. Nevertheless, we present certain progressive approaches below.

A. Yokosuka City: the system of habitant commentators

Yokosuka City, with a population of around 435,000, is also in Kanagawa prefecture. It is one of the cities that pursues collaboration with habitants most actively. It has initiatives to evaluate urban policy jointly with the habitants. The municipality conducts a questionnaire survey covering 2,000 habitants every year in order to measure their satisfaction. Following this and an internal evaluation of the administration by officials, ‘habitant commentators for urban policy’ express their views on the internal evaluation and the survey of public opinion. Additionally, the Evaluation Committee for Urban Policy provides the external evaluation.

This latter committee consists of five academic experts, five representatives of civic associations and five habitants selected from among the applicants. The establishment of ‘the habitant commentators for urban policy’ under the committee is the most remarkable feature of this evaluation system. Civic associations in various fields in the city recommend the commentators. The commentators determine whether the results of the questionnaire are indicative of the current state. They then prepare a report and discuss who should solve the problems and how they should be solved. Citizen commentators can sit in on the meeting of the evaluation committee to monitor the subsequent treatment of their report (Urban Policy Institute of Yokosuka City, 2006).

B. Toyonaka City: Futurological Congress

In Toyonaka City in Osaka prefecture, the ‘Toyonaka Futurological Congress’ was established in February 2004. This Congress consists of thirty members, including habitants selected from among applicants. This organisation aims at serving as the common indicator from the perspective of the public and the private sectors for checking and evaluating the
progress of the master plan of urban policy. Citizens and the administration sit together to check and evaluate the present status of urban development, highlight the problems and discuss solutions. The Congress carried out a large-scale questionnaire survey of 4,000 habitants to complement the report (Governance, 2006: 80–82).

In addition to civic associations, some conscious habitants had the opportunity to participate in the process of evaluation as well as policy-making or planning.

**Conclusion**

The advent of the concept of governance is inevitable. Governance is indicative of how things should ideally be and is a substitute for the traditional government system. Overall, trends in administration—especially at the local level—have clearly changed over the last ten years. Yet, how can the present situation be evaluated? What significant issues remain?

First, there is a considerable dissociation between participating and non-participating habitants. The former enthusiastically involve themselves in the activities, while the latter are merely at the receiving end of the services of the administration.

Second, the role of the institutions where habitants participate and comment is, in many cases, limited and secondary because the treatment of the committee report or opinions of habitants depends on the chief and the assembly of the municipality. Even strong opinions expressed by committees where many habitants participate are not necessarily accepted or adopted by the chief or the assembly. Therefore, it is necessary to elect a chief and assembly members who understand the concept of governance well. In practice, reforms based on the concept of governance are not adequately developed if simultaneous reforms of traditional governmental institutions are not promoted.
In all cases, it is necessary to accumulate a variety of experiences to piece together an image of ideal governance, and to share this and embody it in each municipality.
Fig. 1 Policy process in the period of government

Fig. 2 Policy process in the period of governance
Notes

1. See, for example, the Study Group of Management Renewal of Local Administration corresponding to the Decentralised Society in the MIAC, Strategy of Management Renewal of Municipality in the Decentralised Society, April 2005.

2. “The new guideline to advance the reform of administration in local authority”,

References


**Biographical note**

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