

# 1 Theories of local power and multi-level conflict

Why do territorial conflicts occur between the centre and periphery of a state? What determines the extent to which relations between the central government and local (regional) governments are cooperative or conflictual? More broadly, what are the sources of local power and influence on the centre, both during cooperative periods and moments of open conflict? These are some of the main theoretical questions which will be unpacked in this first chapter before exploring these issues for the local politics of Japan in the rest of the book.<sup>1</sup>

Two dimensions are theorized to be most important in determining whether inter-governmental relations will tend to cooperation or conflict. The first factor is the degree of local autonomy which provides local actors with resources independent of the centre, reducing incentives to cooperate with central governments when preferences diverge. The second factor is the degree of partisan linkages between the levels of government: where party organizations are vertically integrated and congruent parties control different levels of government, policy differences can be internally adjusted and multi-level relations should tend to greater cooperation.

When these two channels linking national and local levels of governments are weak, conflicts are more likely to emerge. These externalized conflicts will then be manifested in three areas: (1) within the same party organizations; (2) across legislatures at both levels of government controlled by different partisan forces; (3) across executives at both levels of government controlled by different partisan forces.

Based on these above theoretical discussions, the chapter will provide a set of hypotheses about multi-level conflict in Japan since the 1990s which will be tested in the following chapters.

## **What are multi-level policy conflicts?**

Conflict, in general, begins when two or more actors in some type of relationship diverge in their interests. When these actors perceive that the overall benefits from maintaining cooperative (or indifferent) relations have become less than the potential gains to be made from opposing or challenging the other, the likelihood of conflict increases. And if, furthermore, there is an uncertainty

about outcomes in the event of conflict – i.e. one side is not dominant in the relationship<sup>2</sup> – conflict would further likely occur.

Applying this to the question of national and local relations in a state, conflicts occur when policy preferences diverge in one or more areas, the incentives to maintain overall cooperative relations weaken, and one or both sides believe it has the resources and capacity to challenge the other successfully. Moreover, there are conflicts which arise not just from divergence in policy area, but when one level of government seeks to expand its policy scope or arrogate more resources for itself from the other level. This is a recurring theme in the federalism literature (e.g. Filippov *et al.* 2004) where the federal party encroaches on subnational state powers and resources, or the reverse.

Interactions between national and local governments are described widely as inter-governmental relations (IGR). IGR constitutes ‘the working connections that tie central governments to those constituent units that enjoy measures of independent and inter-dependent political power, governmental control and decision-making’ (Agranoff 2004, p. 26). IGR occurs over various policy fields and differ in terms of intensity of inter-governmental interaction and the degree of cooperation, conflict, and compromise. IGR can be shaped by the design of the constitution, institutional framework for interaction, socio-economic and political factors, as well as personal qualities of involved actors (Bolloyer 2009).

Undertaking a comparative survey of IGR, Reed points to a number of consistent and important findings about the interdependence of local and national government (1986, pp. 6–11). In most countries, different levels of government share powers and jurisdictions and, as a result, cooperation is the dominant mode of relations. This interdependence also coexists with inevitable differences across levels in terms of priorities and goals as well as determining who will pay for and be politically responsible for shared policies. These disagreements, however, are resolved mainly through bargaining, rather than confrontation, since neither side can ‘opt out’ of their relationship (at least through normal procedures). Breakdown of the relationship may occur, in terms of non-cooperation and unilateral actions on either side, but as these are costly for both levels, participants over time learn to avoid confrontation. Japanese IGR is no exception to this pattern (Reed 1986).

Nevertheless, underlying tensions periodically erupt into publicized conflicts between levels of government. Why then should we care about these rare instances of multi-level conflict, apart from the drama and media interest generated by such confrontations? These externalized conflicts are of interest because they are empirically very useful in assessing local and national power. The regular exercise of local autonomy cannot tell us whether central governments are opposed to, but unable to prevent, these local decisions or are simply happy to have delegated these decisions to its local units. In other words, the delegation of power and the transfer of powers to local governments (or from national party HQ to its local branches) are ‘observationally equivalent’ (Van Houten 2009, p. 148).

It is only through observing the outcomes of conflict where both sides are in clear disagreement over policy preferences that we can assess which side has power over the other in determining outcomes. In such circumstances, both sides would resort to usually dormant resources (sanctions and threats) not used in regular bargaining to prevail. The efficacy of these resources becomes evident through the resolution of conflict. Thus multi-level conflicts and their outcomes can help reveal the substantial interests and powers held by both national and local levels of government as well as within parties.

How do such intra-level conflicts manifest themselves? First, confrontations across levels of government occur in many forms. They could be disagreements/conflicts between levels over the implementation of either national initiatives or local policy. They can involve confrontations between the national government and a single local government, a cluster of local governments in a particular geographic region, or many, perhaps the majority, of local governments. They may involve single or several ministries, local bureaucrats, national and local politicians, or a combination of these various actors. They may involve situations where both levels of government are controlled by the same party or coalition of parties (congruent) or by different parties (incongruent). Furthermore, when local governments have both directly elected executives and legislatures, the local level could be united or divided across these two branches in their position vis-à-vis the national level.

The word 'conflict' is ambiguous and covers a range of intensity in confrontations between national and local governments. A conflict could be relatively localized and contained (e.g. disagreement over local interpretations of national programmes, local politicians merely voicing protest over national party programmes). But they could also be more full-blown non-cooperation of local governments (e.g. local executives refusing to provide permits for significant national projects such as the building of military bases) and full-scale revolts by local politicians to the national party leadership (e.g. local politicians refusing to support co-partisans in national elections or backing opposition parties nationally). In the gravest instances, breakdown of relations between national and local governments may lead to use of unilateral action, even use of force (such as Eisenhower federalizing the National Guard and dispatching it to Arkansas to defend the federal desegregation resolution).

It is also important to note the risks of extrapolating too much from the outcome of a single multi-level conflict. Central governments may prevail in some battles and not in others, depending on the context and the issue at hand. Either side may prioritize the particular policy outcome of a conflict more than the other, leading to greater commitment and willingness to fight for its preference. A study of a single conflict between governments will therefore not indicate the overall, cumulative power of either side. A series of conflicts across different policy areas and their outcomes may give us a better indication of the overall dynamics in IGR.

Perhaps more important than who wins what particular conflict is what the frequency of externalized conflict reveals. If one side is fully in control of the

other in a relationship, conflicts would be unlikely to emerge as the dominated side would perceive any resistance as futile and costly. When there is uncertainty about outcomes, that is, either side believes in the possibility of prevailing, local (or national) governments would be more willing to challenge the other in open conflict. Thus, frequency of such conflicts, a state of disequilibrium, would indicate not only a breakdown in interdependent relations, but that neither side is dominant in the relationship.

### **Defining local politics and power**

What determines this balance of power in an inter-governmental relationship? To answer this, we must first define the scope of local politics and then also define power.

Local politics refers to a wide range of actors and processes, but primarily we are referring to politicians, legislatures, executives, branches of national parties, regional parties, local government officials, as well as elections and policy-making at the subnational level (either in regions or municipalities). National politics, in turn, refers to a wide range of actors and processes, but primarily we are referring to national politicians, legislatures, national parties, headquarters and leadership (the party executive), central ministries and bureaucracies as well as national elections and policy-making. Some actors hold both national and local roles, and are hard to characterize as being either purely local or national. For example, national legislators, local party branches, and party members may represent local concerns and identify with local interest, but they are also, often-times, agents of the party at national level. Thus 'centre-local relations' connote various relationships of the multiple actors between national and local levels of government, some of whom are not clearly identifiable in either camp.

The concept of power is highly contested and multi-faceted, and its definitional debates need not trouble us here. The book applies Robert Dahl's standard definition of power where power is understood as influence over other actors in shaping outcomes: X has power over Y in so far as: (i) X is able, in one way or another,<sup>3</sup> to get Y to do something (ii) that is more to X's liking, and (iii) which Y would not otherwise have done (Goodin 1998, p. 7).

If this standard of power is applied to the relationship between central and local governments, then the following should be true: local governments have power over the central government in so far as they are able, in one way or another, to get the central government to do something which is in the local governments' interests and which the central government would not otherwise have done. More broadly speaking, local governments have relationships with other actors (local residents, local businesses, other local governments, non-governmental organizations, even foreign states). In general, then, local governments will be said to be powerful if their interests can prevail over the interests of other actors.

**Local autonomy vs dependent inter-governmental relations**

More commonly, local power is understood in terms of the extent of local government autonomy. Autonomy has been defined as the condition in which ‘local governments themselves manage the collective affairs of the local citizens ... using their own political and administrative mechanisms, localities define their own interests’<sup>4</sup> (Muramatsu 1988, p. 126). Local autonomy thus focuses on the extent to which local governments have discretion to make decisions in local matters, free from intervention of the central government.

Local autonomy depends on the extent to which local governments have both legal authority as well as the necessary resources for policy-making. In federal states, local governments have final constitutional authority to act independently of the national government in at least one policy realm. In unitary states, local governments are granted authority over policy areas through national legislation, but such authority is not guaranteed constitutionally and can be rescinded by changes of legislation. In both federal and unitary states, the extent of policy areas granted to local governments varies. The greater the extent to which actual policy-making power resides in local governments, the more decentralized a state is said to be.

In practice, it is very difficult to measure overall levels of decentralization in a state. Local governments tend to possess sole policy discretion in some areas, not in others, and often share authority with the national level (or even supranational) over large areas of policy. Simply tallying up the different policy areas in which local governments have sole or shared administrative authority will not allow for effective comparisons of decentralization across states. To enable comparisons of the level of decentralization across states, political scientists have looked at how much of the public expenditure and revenues are generated by the local government as opposed to the national one. The assumption is thus: the larger the total expenditures of local governments, the larger the scope of their policy-making activity; and the larger the share of locally raised fiscal revenues for local governments, the greater the discretion they possess in spending this resource.

These simple indicators of ‘expenditure decentralization’ and ‘fiscal decentralization’, however, are considered problematic in that they do not account for the degree of central government controls and interference in how local governments choose to spend or raise their own revenues (Rodden 2006, p. 26). As mentioned earlier, in most states, local governments share policy-making authority and jointly fund major policy areas. Thus, simple figures of fiscal revenues or expenditures cannot provide a clear picture of local government autonomy in different policy domains.

However measured, one could argue that the more discretion and resources local governments possess to achieve their own policy goals, the less they need to fear in terms of intervention and retaliatory actions from the central government. This should mean that when local autonomy is high (where their discretion is guaranteed constitutionally in federal states or legislation provides for

strong local policy and fiscal discretion in unitary states), we should expect local governments to be more willing to challenge central government actions which they disagree with. Contrariwise, where local governments have limited or low autonomy, local actors would fear central government anger or retaliation and desist from challenging national policy decisions.

If both levels of government are separated from the other and only responsible for their respective policy areas, there appears to be little reason for multi-level policy conflict. Each level of government should simply mind its own business and go its own way. This is true in so far as governments at either level are unaffected by the autonomous policy decisions taken at the other level. Such complete isolation from the effects of policy at other levels of government is unlikely in modern states, however. Decisions at both local and national levels of government – however funded or decided within the remit of one level – often have spillover effects to other levels of government. Put another way, responsibilities and resources for a policy area could be constitutionally (or legally) allocated solely to either the national or local level of government. But the political and economic effects of these policy areas cannot be contained at one level. This, then, is a source of conflict across levels of government, even if they have clearly separated roles and power in ‘layer cake’ fashion.

An additional point should be made here from the perspective of central government ‘autonomy’. Central governments may also be more or less dependent on (or autonomous from) local governments to legislate and implement national policy. Such conditions arise when central and local governments share legislating powers over national policy (such as through the German Bundesrat) and more commonly share the funding/implementation of local-national policies. In such a situation where the national government must rely on local governments for delivery of services, inter-governmental relations are expected to be cooperative.

Ultimately, the question of cooperation centres on how dependent – one could say fused – national and local governments are to each other. The more jurisdictions and functions are shared by levels of government, the more reluctant will either side be in engaging in conflicts which could damage cooperative relations necessary to achieve national and local policy goals. Such a state has been described as a ‘fused’ local government system where central and local governments share ‘overlapping authority’ (Muramatsu 1997, pp. 137–141). Under such conditions where both local and national governments lack autonomy, multi-level conflicts should be less likely.

### **Influence over national policy**

Another important feature of local government power besides local autonomy is its capacity to influence national-level decisions. Local governments and political actors seek and exert influence over national policy areas – from inter-governmental fiscal transfers, developmental projects, environmental regulation, to immigration policy – which are vital to their interests. Without explaining

how and to what extent local political actors engage with and influence national policy direction, we will not have an accurate description of how 'powerful' local governments are.

Local governments may have formal channels of influencing national policy. One of the more direct and powerful channels would be the existence of second chambers in national legislatures that provide weight to territorial interests (such as the US Senate or more directly the German Bundesrat). Other channels would include various institutionalized fora for negotiation and bargaining between governments (such as the proliferation of committees and conferences attended by executives from federal and provincial governments in Canada). Other formal mechanisms include dispute resolution institutions that seek to resolve differences between national and local governments (such as the UK Joint Ministerial Committee founded to resolve differences between Westminster and the devolved regional governments). Though this is not an exclusive list, where these formal administrative channels function effectively, one would expect multi-level conflict to be less disruptive, or at least manifested through these more institutionalized frameworks.

In addition to these administrative channels, local actors possess partisan channels to influence national policy. These can be divided primarily into three channels, which, when frustrated or weakened, are expected lead to multi-level conflict.

The first are intra-party multi-level interactions (between the national headquarters and local branches within a party organization). The second are multi-level interactions between legislatures in different levels of government. The third are the dynamics between national and local executives at different levels of government.

These three main channels are affected by (1) whether party organizations are vertically integrated or de-integrated; (2) whether partisan composition of legislatures across levels of government are congruent or incongruent; and (3) whether local executives are more or less dependent on the political executive and/or ruling party at national level to achieve their preferences. When these channels of local influence over national policy are weakened by lack of vertical integration, lack of partisan congruence, and strong autonomy of local executives, we expect greater multi-level conflict.

We provide a discussion of how each of these variables potentially affects the frequency and intensity of multi-level policy conflict in turn.

### **Intra-party multi-level dynamics**

A rich and influential body of research into federal systems (e.g. Riker 1964; Dyck 1996; Detterbeck and Renzsch 2003; Filippov *et al.* 2004) has highlighted how relations between central and local governments are vitally shaped by the degree of party integration, i.e. the extent of organizational linkages, interdependence, and cooperation between the central and regional branches of a state-wide party. Vertical integration within a party is seen to 'offer

mechanisms for brokering disagreements among constituent units' (Thorlakson 2009, p. 161).<sup>5</sup> Integrated parties have 'basic ideological similarity [at national and local levels] and few policy disputes' (Dyck 1996, p. 162).

Integrated parties emerge from electoral and institutional environments in which both national and local branches are equally incentivized to maintain the party's reputation, label, and overall strength.<sup>6</sup> Thus, an integrated party can be defined as

one in which, for national politicians, the long-term strategy of preserving the party's overall electoral coalition takes precedence over the short-term tactic of seeking immediate gains from challenging local and regional autonomy ... Conversely, local and regional politicians will not seek to disrupt unduly the functions of the federal government for fear of damaging the electoral standing of national politicians for their party, and thereby, their own subsequent electoral chances.

(Filippov *et al.* 2004, p. 194)

Integration occurs when national and local politicians are mutually dependent for their re-election and policy implementation. Both sides of an integrated party thus 'mutually delegate' decision-making power to better achieve mutually beneficial goals (Filippov *et al.* 2004, p. 195). Open disputes which may damage the party label are avoided and both sides seek 'to negotiate internal differences out of public view and, in a self-regulating way, to otherwise repress disruptive issues'<sup>7</sup> (Filippov *et al.* 2004, p. 186). A lack of integration thus tends to greater intra-party conflicts across levels of government, even when both levels are controlled by the same party.

Existing literature has investigated how the degree of vertical party integration is shaped by electoral contexts, central-local government relations, as well as the ideology and historical origins of the parties themselves. When parties compete in national and local electoral contexts that are similar (similar or identical electoral systems, district magnitudes, electoral cycle), these conditions generate electoral incentives for national and local politicians to maintain party unity and policy cohesion. This in turn facilitates party integration (Filippov *et al.* 2004; Tatebayashi 2013). On the other hand, parties that compete in differing electoral environments at national and local levels (for example under different electoral systems or electoral cycles) will tend towards weaker vertical integration.

Others have argued that the degree of state centralization shapes the structure of the party organization (and vice versa). Where the state is highly decentralized and central governments weak, there is less incentive for local politicians to cooperate in order to capture the national levers of power. This could lead to centrifugal effects in the party organization, weakening the party's vertical integration (e.g. Riker 1964; Chhibber and Kollman 2009). Similarly, where national and local governments do not share responsibility for the funding and implementing of various administrative functions, there is less need for cooperation among levels of the same party. This separation of functions

(referred to as ‘jurisdictional’ division of labour between levels of government) compared to a sharing of functions (referred to as ‘functional’ division of labour) is seen to contribute to a bifurcation of national and local levels of the party (Chandler and Chandler 1987). In states where local governments possess a greater share of exclusive policy functions, there is less incentive for local party organizations to cooperate with the national level. Local elites face less risk in challenging the centre over policy direction and the distribution of resources, resulting in more conflictual multi-level relations.

Finally, others have argued that it is not just the external environment but also factors endogenous to the party which shape the degree of vertical integration within parties. These factors include the genetic origins and ideology of parties as well as the strategic choices of party leaders in shaping the levels of vertical integration and centralization of party organizations. For example, socialist parties have tended towards more centralized and hierarchical multi-level organizations, whereas green parties have emphasized greater local autonomy within party organizations (Panebianco 1988; Detterbeck 2012). Party leaders facing increasingly diverging local electoral environments, e.g. in the face of regional parties and separatist demands, have also been seen to choose to relax top-down control and delegate greater autonomy to local party organizations (Van Biezen and Hopkin 2006). This in turn could lead to less integration within the party organization as local branches pursue strategies and goals divergent from the national HQ. Thus strategic agency also plays a role in shaping party organizations.

Whatever the complex combination of causes, where parties are weakly integrated, there will be fewer opportunities for internally resolving differences between national and local interests represented by the party HQ and local branches. Less integration thus spells greater multi-level conflict.

### **Inter-party multi-level dynamics**

Multi-level interactions occur not just within parties, but across different parties that compete and hold public offices in national and local legislatures. Whether the same or different parties control governments at different levels – i.e. the degree of multi-level partisan congruence – is another key variable identified as shaping the nature of inter-governmental relations (Chandler and Chandler 1987; Renzsch 1999; Burgess 2006). Party congruence refers to a situation when governments at different levels are controlled by the same political parties, while party incongruence refers to situations when different levels of government are controlled by different parties (McEwen *et al.* 2012, p. 190).

What, then, causes multi-level incongruence? Three different types of factors can be highlighted briefly. The first cause is the existence of institutional differences in the electoral environments of both levels (where electoral systems and cycles differ) resulting in different parties being represented at national and local level. The second cause is the existence of voter logics/strategies which vary between elections at different levels of government. For example, if voters

perceive of local elections as referenda for the performance of national parties and seek to ‘balance’ or ‘punish’ national ruling parties by voting for opposition parties at local level, national and local partisan incongruence emerges. The third cause is the existence of heterogeneous socio-political conditions across a state. These territorial differences in interests and identities lead to the emergence of representation at local level that diverges from the national average. In areas where certain interests or groups are highly concentrated, certain parties may be more represented locally than in the national average: e.g. regional parties with concentrated support in certain regions or the prevalence of socialist parties in urban or manufacturing areas. Territorial concentrations locally can result in national-local incongruence in party systems.

Under congruent conditions state-wide parties can provide organizational linkages and integrative functions across jurisdictional divides in coordinating policy, information exchange, and conflict resolution. Without these links, greater differences in policy preferences between levels of government may emerge. Such a situation would make policy coordination difficult, especially when authority over policy implementation and funding is shared across national and local levels of government (McEwen *et al.* 2012, p. 190). Partisan congruence and incongruence become less important, however, if parties are not integrated. When parties at both levels do not have strong vertical linkages, they are unlikely to resolve intra-party differences or to engage in opposition across levels of government regardless of whether both levels of government are controlled by the same or different parties.

In political systems which have presidential systems of separately elected executives at national and/or local level, partisan dynamics across levels of government are more complicated than in systems where both levels are parliamentary with only a directly elected legislature. In these cases, the executive and legislature at national level can be controlled by the same party (united government) or different parties (divided government), facing local government divided or united across their legislature and executive. In some very rare cases (e.g. Japan, Italy, and some councils in the UK), a parliamentary government at national level (single or coalition government) exists alongside local presidential systems with an elected governor/mayor and elected local legislature.

Multi-level incongruence also refers to a complex situation of different parties singly or in coalition controlling different branches of government to different degrees. For example, ‘full incongruence’ occurs when both levels are controlled by completely different partisan forces, as opposed to ‘partial incongruence’ where, through coalition governments, at least one party is in coalition governments at both national and local levels. Full incongruence is expected to lead to more pronounced effects on multi-level relations (McEwen *et al.* 2012, p. 191). An additional consideration in local politics is the frequent appearance of non-partisan chief executives and legislators that are affiliated to no party (or perhaps only to a regional party with no presence nationally).

In general, certain combinations of electoral and executive systems can be said to make multi-level partisan incongruence and conflict more likely. When

both national and local executives are chosen by majoritarian systems (under single-member district electoral rules), relations are likely to be more conflictual than when executives are selected from more proportional electoral systems.<sup>8</sup> Bolleyer (2006) argues that where power is shared in coalition governments at both levels there is a higher likelihood of partisan congruence (overlap) in the ruling governments at national and local level, compared to those under power-concentrating majoritarian systems. Where power is divided (bicameral or presidential systems), the likelihood of partisan players using their veto powers is higher and likely to limit the creation of stable/institutionalized IGR (Bolleyer 2006). For all the possible combinations, where legislative and executive power is under united partisan control, that level of government would be able to better unify policy positions and act against the other level of government. Following the logic of veto-player theory (Tsebelis 2002), less partisan divisions in either national or local government should generally result in more unified and stronger negotiating positions against the other level of government.

In sum, partisan in/congruence, like the vertical integration of parties, is caused by a variety of factors including electoral and executive system design, voter strategies, and heterogeneous socio-economic condition across a state. Whatever its source, the expectations are that the greater the degree of partisan congruence across levels of government controlled by vertically integrated parties, the more likely multi-level relations would be cooperative. Contrariwise, where partisan incongruence is widespread and parties competing at both levels are integrated, we should expect greater multi-level conflicts and tensions.

### **Inter-executive multi-level dynamics**

Multi-level interactions occur within parties, between legislatures, and also between the executives of both national and local levels of government. In this third and final channel, the local political executive (leader of the ruling party in the local legislature or a directly elected governor) interacts with the national political executive (the prime minister and ministers) in different ways. In one extreme, the local executive may basically act as an agent of the national government, possessing little autonomy and loyally implementing national policies. On the other extreme, the local executive may be a highly autonomous actor who consistently represents territorial interests against the state, challenging national authority and policy whenever necessary. These types of interactions will determine the nature of upward influence local executives will have on national policy as well as how cooperative/conflictual relations will be.

Whether a local executive is more an agent or an autonomous actor will depend on many variables, but these factors can be subsumed into two variables, namely: (1) extent of the local executive's formal policy-making powers (local autonomy); (2) the degree to which the local executive depends on the national ruling party to achieve his/her policy and electoral goals (party-dependence). The expectation is that, where the local executive possesses formal discretion and political resources independent of the national government and/or ruling

party, the local executive will be more willing to challenge national decisions without fear of losing vital resources held by the national executive.

If local executives lack policy autonomy, they would be compelled to cooperate with the national level to achieve local goals. Under such conditions, local governments and executives would be less willing to challenge the national government more openly. On the other hand, when local government autonomy is considerable and central government interference in local decision-making limited (such as occurs under highly decentralized states with separated jurisdictions), we should expect local executives to be more willing to confront the national government. Thus greater policy autonomy at local level should contribute to more frequent multi-level conflicts.<sup>9</sup>

Local executives may also depend on partisan support in the local legislature to pass their budgets and policies. The more a governor or local premier depends on the local branch of a national ruling party for local legislative support, the less he/she will be prepared to challenge the national executive on various national policy positions. This is particularly the case if this ruling party is well integrated and both levels united in responding to a challenge from the local executive as a threat to the party as a whole. On the other hand, if a local executive does not rely on the ruling party at local level, but on the legislative backing of other parties (opposition or regional parties) in legislature, it would have less to fear in challenging the national executive over policy. A similar dynamic exists in terms of the local chief executives' dependency on the ruling party at national level for his or her re-election. If local executives depend on national partisan affiliation, party nomination, campaign mobilization, and other support such as funding for their own elections, their willingness to challenge the national ruling party over policy will be constrained.

Finally, in local government systems with directly elected chief executives (governors and mayors), the local executive will have a more complex relationship to the national and local party organizations than local executives from local government systems that are parliamentary. Directly elected executives (presidents) tend to be less loyal and less dependent on legislative parties, than executives elected and given confidence by a legislature (prime ministers) (Samuels and Shugart 2010). In the same way, governors and mayors who are local presidents often tend to be partisan 'outsiders', and appeal to the general electorate as non-partisans. Unlike legislators with narrower constituencies, they view themselves as representatives of the whole local government, rather than representatives of a party, constituency, or particular social/interest groups (Soga and Machidori 2007). Thus for directly elected chief executives, we expect party backing in elections to be less important than the extent of their administrative powers and financial resource to achieve their goals.

In sum, where decentralization expands local powers, independent financial resources are available, and the ruling party at local level does not control the local legislature, the local executive is likely to be more willing to put up a fight against national policy.

### The two dimensions shaping multi-level conflict

To recap, local governments and actors have varying degrees of power over local matters and influence over national matters. The extent of this power is shaped by the structure and administrative features of the local government system but also from the party organizations and partisan configuration of both levels of government. From this discussion two dimensions were theorized to be most important in determining whether inter-governmental relations will tend to cooperation or conflict: the degree of local autonomy (how closely fused central and local governments are administratively) and the degree of partisan congruence and vertical integration between the levels of government. Expressed formally, we predict that:

- 1 Where local governments possess limited local autonomy and are more fused with the central government (share delivery and funding of administrative functions), multi-level interactions would tend to greater cooperation.
  - 1a Where local governments possess greater local autonomy and are less fused administratively with central government (possesses exclusive jurisdiction over various functions), multi-level interactions would tend to greater conflict.
- 2 Where local governments possess partisan channels to influence national policy (through vertically integrated party organizations and congruent partisan control of both levels of government), multi-level interactions would tend to greater cooperation.
  - 2a Where local governments lack partisan channels to influence national policy (due to incongruent partisan control of both levels of government), multi-level interactions would tend to greater conflict.

Combining these two dimensions, the following four categories emerge as indicated in Figure 1.1.

In the figure there are four outcomes: a quadrant characterized by multi-level cooperation and stability and three other quadrants characterized by differing types of inter-governmental conflict. The respective quadrants include the different periods for Japan and three other countries (Canada, Germany, and the UK) which will be analysed in Chapter 6.<sup>10</sup>

The top-right quadrant (1) reflects conditions of low local autonomy and high partisan congruence, in which interactions between national and local governments tend to greatest stability and cooperation. Conflicts, though they may arise, will be internally resolved through the mutual incentives to cooperate over shared responsibilities as well as through partisan linkages and congruence. It should be a stable bargain, where both sides mutually gain and seek to maintain the reciprocal relationship, and avoid measures that may damage relations in the long term. Japan (1955–1993) under LDP dominance with its highly congruent national and local governments and a highly fused system of low local autonomy would fall in this category. Germany will also be found here as it has

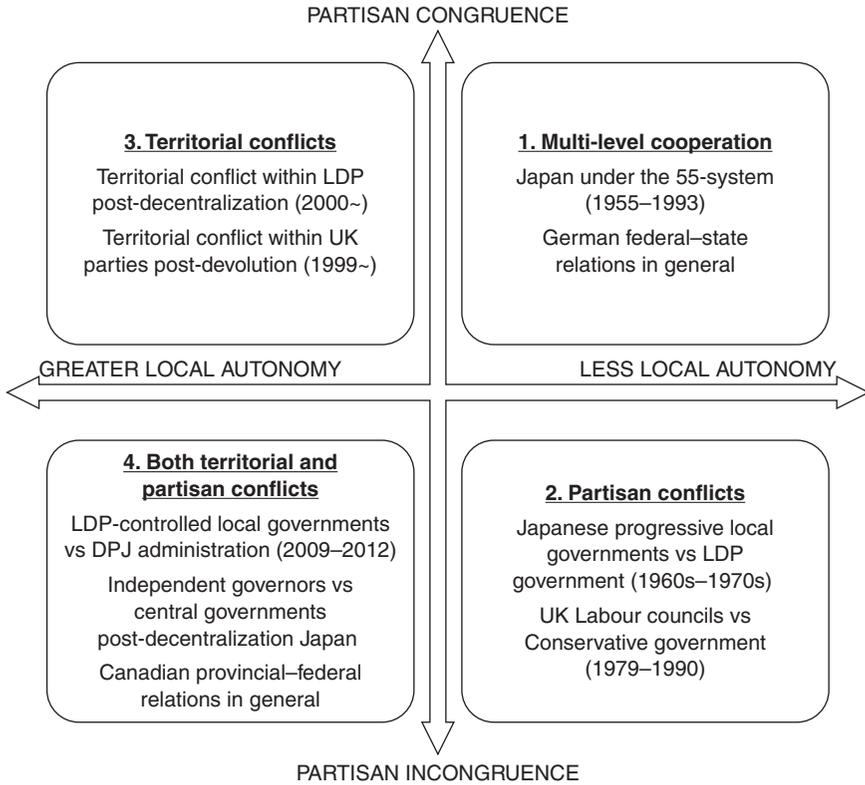


Figure 1.1 Local autonomy and partisan congruence shaping multi-level conflict.

Source: compiled by author.

highly integrated parties and party systems at national and local level as well as closely fused federal-state relations, resulting in cooperative IGR.

The bottom-right quadrant (2) would involve a situation when different parties control different levels of government under a centralized system of limited local autonomy. Despite low local autonomy, local governments under control of opposition parties may challenge national governments as a partisan strategy. These challenges would involve local governments opposing national policy regardless of territory-specific interests. That is, local partisans would use whatever local governments they control as a platform to attack national policies. Conflict would therefore take place primarily over universal, programmatic issues, and ideological matters that divide the parties. National-level opposition parties (or regional parties) may also come to power locally by opposing ruling party positions on policy issues which affect specific regions. In this case, the multi-level conflict under partisan incongruence would be more territory-specific. But under conditions of lower local autonomy, we would expect party

competition to be nationalized and local partisans to primarily mount challenges to nation-wide policies affecting the whole state, not just specific territories. The period of opposition party control of urban areas in Japan (circa 1965–1975) and the resistance of opposition-controlled UK local councils to national policies under the Thatcher administration (1979–1990) are examples of partisan incongruence under centralized (fused) local government conditions.

The top-left quadrant (3) captures decentralized conditions where local actors possess strong local autonomy, but national and local governments are congruently controlled. In this context, greater local autonomy will incentivize voters and partisans to focus on local policy solutions and this may lead them to diverge from national party positions, even if they are supporters (members) of the same party at both levels. Thus, despite partisan congruence, high local autonomy will result in multi-level conflicts emerging within the party, between its national and local organizations. These tensions and conflicts under conditions of higher local autonomy will be primarily based on territory-specific issues. Here we can place the intra-party tensions emerging under conditions of partisan congruence within the national ruling party and their local branches in post-decentralization Japan as well as the conflicts between UK national ruling parties and their branches in the devolved regions (e.g. Scotland and Wales).

Finally, in the bottom-left quadrant (4) when local governments possess high levels of local autonomy and partisan incongruence exists, multi-level conflicts will likely become prevalent and unrestrained. In this combination of features, both national and local governments would be prepared to challenge the other if their respective interests are threatened, making this condition the most conflictual of all quadrants in the figure. Local executives would be less dependent on national governments administratively and national ruling parties for their own elections or local policy goals, resulting in territorial-based challenges against national policy. In addition, partisan incongruence may trigger local partisan challenges against the central government (although in highly decentralized systems, such a situation would be less likely as national and local party systems tend to be separated arenas). Both partisan and territorial conflicts are possible in this quadrant. Japan post-decentralization and under conditions of partisan incongruence (DPJ administration 2009–2012) evinces these features. Canada has a highly separated local government system with divergent party systems at national and local level generating prevalent multi-level conflict. It can thus also be placed in this quadrant.

These two dimensions of local autonomy and partisan congruence generate multi-level conflict in three areas: those that occur within parties, between different parties, and between executives at different levels of government. In Table 1.1, the three types of multi-level conflict are summarized in terms of their causes and features. Below these descriptions are examples of such conflict that will be investigated in the rest of the book.

Table 1.1 Types of multi-level conflict, their features, and examples

<i>Type of multi-level conflict</i>	<i>Intra-party conflict</i>	<i>Inter-party conflict</i>	<i>Inter-executive conflict</i>
Proximate causes	Vertical integration within party organization weakens	Partisan incongruence occurs	Local autonomy expands
Underlying causes	Diverging electoral systems, electoral cycles and/or executive systems, decentralization  National and local partisans less (or unequally) committed to maintain party label and policy unity	Diverging electoral systems, electoral cycles, and/or executive systems  Voters see local election as ‘second order’ referendums/local government as arena to challenge national ruling party	Decentralization  Local executives less dependent on national ruling party executive for local electoral and policy goals
Manifestation	Territory-specific conflicts	Territory-specific conflicts/nation-wide ideological partisan conflicts	Territory-specific conflicts
Resolution	Intra-party compromises or local partisans continue to resist/defect	Policy cooptation by centre or continued conflict	Inter-government compromises or continued conflict
Examples from Japan covered in the book	Territorial policy conflicts – primarily between rural branches of LDP and national party executive (postal privatization, TPPs) or NIMBY issues (nuclear power, public work project)	Territorial policy conflicts (TPP, petition system) and NIMBY issues (dams, nuclear power) + ideological partisan conflicts across all regions (foreigner voting rights, security issues, welfare, and environmental regulations in the 1970s, e.g.)	Conflicts over Okinawa bases, shared funding, and public works projects between central government and governors
Examples from case countries covered in the book	Tensions with branches in devolved regions for UK parties/tensions over fiscal equalization between German provinces	Conflicts with Labour-held local councils under UK Conservative government	Fiscal equalization conflicts between federal and provincial executives in Canada

Source: Compiled by author.

## Hypotheses for Japan

These theoretical expectations lead to a number of hypotheses for multi-level relations in Japan since the 1990s, which will be investigated empirically in the relevant chapters.

First, during the LDP's predominant period (1955–1993), the state was fiscally and administratively centralized, but central and local governments shared in the funding and implementation of large areas of policy creating a 'fused-type' local government system. The Japanese state was also characterized by strong partisan multi-level linkages: a party (LDP) with strong vertical linkages between mutually dependent local and national politicians was in power at the national level and most local governments. Under these conditions, the LDP's dominant period was characterized by cooperative and stable multi-level relations. The one source of overt multi-level conflict came under conditions of partisan incongruence, when opposition-party-backed governors and mayors captured offices in urban areas during the progressive local government era (1960s–1970s) (Chapter 2).

Second, electoral and decentralization reform since the mid-1990s reduced the fusion of national and local governments as well as weakened partisan linkages between the two levels. In the context of less fused central-local government relations, we expect increased frequency of multi-level conflicts and tensions within parties (Chapter 3). We also expect these conflicts within parties to be primarily territory-specific, focusing on local actions seeking to defend local interests. In contrast, the multi-level conflicts under partisan incongruence of the DPJ administration would also include programmatic and ideological, rather than just territorial, challenges to the central government (Chapter 4).

Third, prefectural governors in Japan have gained more discretionary powers and face less central government intervention as a result of decentralization since the mid-1990s. There has also been a trend of governors distancing themselves from the national parties, standing as non-partisan candidates in the same period. We expect that under these conditions of increased autonomy, the frequency of local executives involved in multi-level conflicts have increased generally. Moreover, we expect these challenges by independent local executives to be based on territorial interests, rather than on partisan, ideological divisions between national and local governments (Chapter 5).

Comparative case countries besides Japan will also be investigated on these two dimensions (Chapter 6). Germany will be investigated as a case with low local autonomy (a high integration of national and local policy-making processes) and comparatively low levels of partisan incongruence. The UK will be investigated as an example of a highly centralized state, that has undergone increased local autonomy, where partisan incongruence is common. Canada is a prime example of a highly decentralized state where party systems are separated at both levels and party congruence limited. We expect the three countries to evince high levels of multi-level cooperation (Germany), multi-level partisan

conflicts (UK before devolution), multi-level territorial conflicts (UK after devolution), and multi-level territorial and partisan conflicts (Canada).

Existing literature thus provides us with expectations as to whether we should expect national and local politics to interact in a cooperative or conflictual manner. We emphasize here that our theoretical predictions are primarily about the frequency and type of such multi-level conflicts. We argue that the three types of conflicts within parties, between parties, and executives at national and local levels should increase or decrease depending on the conditions of local autonomy and partisan incongruence. Moreover, under conditions of partisan incongruence, multi-level conflicts will not only emerge over region-specific differences in policy with the national executive, but also over more programmatic/nation-wide partisan challenges to policy.

Our theories therefore do not predict in any way how these multi-level conflicts will play out and through what channels they will take place. For this understanding, each of the chapters provides descriptions and analysis of case examples of these conflicts. First, these case studies are used to confirm the causal mechanism that greater local autonomy and/or partisan incongruence is actually causing these conflicts. Second, these representative case studies are compared to generate inferences about how such conflicts actually develop and resolve themselves.

Multi-level interactions in Japan – which have been transformed from a cooperative to a more strained and conflictual one in recent years – should provide instances in exploring these questions. We turn first to understanding how a multi-level equilibrium emerged in the post-war period in Japan and has been gradually dismantled since the 1990s.

## Notes

- 1 For those readers primarily interested in the Japanese case, this theoretical chapter can be skimmed or skipped without impeding ability to follow arguments and descriptions put forward in the more empirical chapters on Japan (Chapters 2–5).
- 2 There are many instances of conflict between two groups where one side is clearly dominant and the other side unlikely to prevail. In such cases, the subordinate side perhaps perceives of a chance, however slim, of altering the relationship through conflict. More likely, they may perceive the costs of the current arrangement to be so great (or benefits so little) that the risks/costs of engaging in conflict are deemed negligible and the symbolic/normative benefits of engaging in externalized resistance to be worthwhile. Consider resistance movements under occupation or revolts by oppressed minority groups against dominant states as examples.
- 3 This influence could be exerted explicitly through open coercion or implicitly, through control of agendas and ideas – the second and third ‘faces’ of power delineated by Lukes (1986), or in whatever shape or form. What is important is that one side has these various levers/resources of power and uses them to influence others in their own interest.
- 4 Autonomy can also be understood as the product of two functions: ‘self-steering and self-control’. Autonomy is the power of government to take action based on their own judgement (self-steering) and, using the information they obtain about the

results, to correct any mistakes in judgement (self-control). This self-steering and self-control is often called independence (Muramatsu 1988, p. 127).

- 5 Thorlakson (2009) finds variation within integrated parties in terms of local autonomy and ‘upward influence’ on national party matters. In a survey of federal parties, she finds that some are highly integrated, yet authority over key local decisions – discipline, policy campaigning, internal organization, and candidate and leader selection – are held tightly by the party headquarters. Others are integrated while providing greater local autonomy and channels of upward influence on the national party matters.
- 6 According to Filippov *et al.* (2004, p. 192), the seven criteria for an integrated party are:
  - 1 The party’s organization exists and fields candidates at all levels of government.
  - 2 The party’s electoral success at the national level facilitates the electoral success of its candidates at the local and regional level.
  - 3 The regional and local organizations and candidates of the party retain sufficient autonomy, to direct their own campaigns.
  - 4 National platforms are acceptable in local terms and are interpreted in local terms by local politicians campaigning on behalf of national parties in national elections.
  - 5 Every component of the party contributes to the party’s overall success.
  - 6 Winning nationally requires that the party and its candidates campaign locally.
  - 7 The offices the party seeks to fill through election at local levels control valuable resources and those who fill them can implement policy that can either aid or thwart the policies implemented at the national level.

These conditions result through, among others, decentralized system of intra-party candidate selection, simultaneous elections at different political levels, and representation of the state level in second chambers nationally.

- 7 From the perspective of integration as a form of ‘mutual delegation’, it may be misleading to speak of one level of the party having ‘power over’ another level. If both sides depend on each other and are committed to maintaining a relationship, the relationship cannot be understood in terms of one side dominating another with directions of influence going only in one way. Since an integrated party is based on mutual dependence and delegation, influence can occur both upwards and downwards.

In a similar vein, recent models of party organizations in unitary states also suggest more fluid and bargained relations between national and local elements, challenging the traditional emphasis on the hierarchical nature of their organizations.

Classical party models – primarily from Western European democracies – such as the mass membership party (Michels), the cadre party (Duverger), the catch-all party (Kirchheimer), the electoral professional party (Pannebianco), and the cartel party (Katz and Mair) – were based on the concept of a party as a single identifiable organization with a single locus of control (Carty 2004). These classical conceptions have been challenged by authors who emphasize how party organizations compete in different electoral environments and territories, which necessitates a territorial response. This ‘stratarchical imperative’ has led, in some conceptions, to the party leadership delegating autonomy to its local branches in a delegation model (Van Houten 2009) or for national and local levels to strike mutually beneficial bargains across levels in a franchise model (Carty 2004).

- 8 Personal communication with Sunahara Yosuke, 6 November 2016.
- 9 One caveat would be that the decentralization of administrative authority does not necessarily guarantee local governments the financial resources to achieve their goals. It is only when the local government possesses both financial resources and administrative discretion that their local executive would be more willing to challenge the centre than local governments which do not have these resources.

- 10 Naturally, in any given state, the national government and ruling party face a number of different local governments controlled by either their own or opposition parties, led by executives with different degrees of dependence on the national party. These characterizations of cooperative or conflictual multi-level relations reflect the most prevalent type of interactions between national and local governments at any period of time.

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