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Public Administration in Japan

Edited by

Koichiro Agata · Hiroaki Inatsugu
Hideaki Shiroyama

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PREFACE

“Public Administration in Japan” was first edited and published in English in 1983 by TSUJI Kiyooki, one of the most important founders of the discipline of Public Administration in Japan. No further monographs or edited volumes have been publicised in English since. Over the past 40 years, Japanese public administration has undergone considerable reform and modernisation in the areas of organisation, human resources, finance, and information in order to adapt to the diverse dynamics and changes in domestic, international, and global society. Therefore, this book is an attempt to describe and analyse the current situation of public administration in Japan by looking at the central and local levels of government in terms of institutional framework, internal structures, and external relations.

The main questions are what are the characteristics of Japanese public administration? Which elements in society have influenced certain changes and reforms in Japanese public administration? What reforms and modernisations have been undertaken and why? What are the effects of these changes on public administration and society? In order to answer the above questions, we aim to highlight the components of Japanese public administration within the constitutional and international framework, the institutional relationships between central and local governments, the organisational structures of central and local governments, the relationship between public administration and political leadership, administrative procedures and processes, civil service systems, and public finance.

Considering more dynamic aspects, administrative reforms in historical aspects, institutional differentiation of public service provision, participatory administration and cooperation, digital transformation of governments, human resource management, public management reforms with and after NPM, control and evaluation of public administration, crisis management in general, and a special case of Fukushima should be included in our discussions. A more detailed explanation of the structure of the book and the intentions of each chapter will be provided in the first chapter.

The motive for editing this version of “Public Administration in Japan” was given by Paul Joyce, who is fulfilling the role of Editor-in-Chief at the International Institute for Administrative Sciences (IIAS), in May 2021. Even at that time, the editors of this book were themselves also considering to conceptualise such an English book discussing the current situation of public administration in Japan, asking for concrete advice in particular from Dieter Schimanke, who was editing as one of the co-editors the German counterpart “Public Administration in Germany” to be published in 2021 in the IIAS series “Governance and Public Management”. The coincidence of these approaches from both sides has fortunately led our editors to draw up an overall concept and to compose each of the chapters by asking concerned authors in the academic circle of Japanese Public Administration to author the articles in 2022.

During and after the global pandemic, we exchanged information and opinions on the contents of the chapters only through remote meetings, which is typical of today’s social situation. Paul Joyce, in collaboration with anonymous reviewers at the IIAS, provided crucial input at two different stages of our editorial process: the finalisation of the book concept and the completion of the final manuscripts.

The essential support for the publication was provided by the Government of Japan, which is a state member of IIAS, and especially the Ministry of Internal Affairs and Communications. Due to its proper management, the edition of the book went smoothly, so that the whole draft of the book was submitted to the publisher Palgrave Macmillan, especially to Stewart Beale, who took over the compilation of the book.

The aim of the book is to present the current situation and its particularities in selected areas of public administration in Japan, analysing their background and contexts in both theoretical and practical terms. May the

book prove useful for teaching and research on public administration in Japan in the global academic community. May it further deepen exchanges among the scholarly communities concerned with public administration in Japan and other countries.

Tokyo, Japan
September 2023

Koichiro Agata
Hiroaki Inatsugu
Hideaki Shiroyama

CONTENTS

1	Backgrounds and Key Characteristics of Japanese Public Administration	1
	Koichiro Agata, Hiroaki Inatsugu, and Hideaki Shiroyama	
1.1	<i>Background to the Modern Japanese Administrative System: Two Major Reforms and the Present</i>	1
1.1.1	<i>Meiji Restoration</i>	2
1.1.2	<i>Postwar Reforms</i>	4
1.2	<i>Key Characteristics of Japanese Public Administration and the Structure of This Publication</i>	6
1.3	<i>Basic Institutions and Processes</i>	8
1.4	<i>Recent Trends and Developments</i>	12
	<i>References</i>	15
2	Constitutional State and Public Administration	17
	Hisashi Harada	
2.1	<i>Introduction</i>	17
2.2	<i>The Japanese Administrative State: Scope and Resources</i>	18
2.2.1	<i>Roles and Functions of the Cabinet in the Constitution of Japan</i>	19
2.2.2	<i>Three Layers of Administrative Organisation Law in Japan</i>	20
2.2.3	<i>Administrative Affairs Under Jurisdiction of Ministry</i>	20
2.2.4	<i>Administrative State with ‘Wide Jurisdiction and Few Resources’</i>	22

2.3	<i>Strengthening the Leadership of the Japanese Prime Minister and Its Effect</i>	24
2.3.1	<i>Japanese Prime Minister's Leadership in the Parliamentary Government System</i>	24
2.3.2	<i>Two Principal-Agent Relationships</i>	25
2.3.3	<i>Autonomy from Ruling Party</i>	25
2.3.4	<i>Prime Minister's Control of Executive Personnel Promotion</i>	26
2.3.5	<i>Using the Cabinet Secretariat as a Programme Development Unit</i>	27
2.3.6	<i>Transition to the Westminster Model or New Kantei Government System?</i>	28
2.3.7	<i>Impact of the Prime Minister's Enhanced Leadership on the Japanese Administrative State</i>	29
2.4	<i>Conclusion: Covid-19 Pandemic and Japanese Administrative State</i>	30
	<i>References</i>	31
3	Central and Local Government Relations	35
	Masatsugu Ito	
3.1	<i>Introduction</i>	35
3.2	<i>Historical Construction of Central and Local Government Relations in Modern Japan</i>	38
3.2.1	<i>Construction of Modern State and Local Government Systems</i>	38
3.2.2	<i>Progress of "Functional Centralization"</i>	40
3.3	<i>Continuity and Change in Central and Local Government Relations in Postwar Japan</i>	41
3.3.1	<i>Decentralization in Occupied Japan</i>	41
3.3.2	<i>Sustaining an Interfused Relationship Between Central and Local Governments</i>	42
3.3.3	<i>Central and Local Government Relations Under the Rule of the LDP Government</i>	44
3.4	<i>Decentralization Reform and Central and Local Government Relations</i>	45
3.4.1	<i>Decentralization Reform Since the 1990s</i>	45
3.4.2	<i>Characteristics of Central and Local Government Relations in Japan</i>	47

3.5	<i>Perspectives for the Future</i>	50
	<i>References</i>	52
4	Internationalization and Japanese Public Administration	55
	Hideaki Shiroyama	
4.1	<i>Introduction</i>	55
4.2	<i>Historical Stages of Interaction Between International Regimes and Domestic Developments</i>	57
4.2.1	<i>The Building of an Administrative State Under International Regimes in the Late Nineteenth Century</i>	57
4.2.2	<i>The Regime of Occupation After the Second World War and the Return of Japan to International Society</i>	59
4.2.3	<i>Responding to Internationalization and Globalization Since the 1980s</i>	61
4.3	<i>Various Forms of Interactions in Concrete Cases</i>	63
4.3.1	<i>Domestic Implementation of International Rules: General Design Issues</i>	63
4.3.2	<i>Case Study: Domestic Implementation of the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol</i>	64
4.3.3	<i>Case Study: Domestic Implementation of the WTO Agreement on Government Procurement</i>	65
4.4	<i>Conclusion</i>	69
	<i>References</i>	71
5	Structure and Functions of the Central Government	73
	Izuru Makihara	
5.1	<i>Introduction</i>	73
5.2	<i>The Current Organization of Ministries and Agencies</i>	74
5.3	<i>Historical Developments in the Organization of Ministries and Agencies</i>	77
5.3.1	<i>Prewar Formation of Institutions</i>	77
5.3.2	<i>Wartime Administration During the Second World War</i>	78
5.3.3	<i>Postwar American Influence</i>	79

5.3.4	<i>Administrative Consolidation and General Coordination Through Administrative Reforms</i>	82
5.4	<i>Reforms and the Reorganization of Ministries and Agencies in the 1990s</i>	84
5.4.1	<i>Post-Cold War Political Reform, Deregulation, and Decentralization Reform</i>	84
5.4.2	<i>Strengthening Independent Bodies</i>	85
5.4.3	<i>Reorganizing Ministries and Agencies</i>	85
5.5	<i>Central Government of the Twenty-First Century</i>	87
5.5.1	<i>The Expansion of Official Residences in Operation and Each Ministry</i>	87
5.5.2	<i>Managing Administrative Resources and Independent Oversight</i>	89
5.5.3	<i>Dealing with New Policy Challenges</i>	90
5.6	<i>Conclusion</i>	91
	<i>References</i>	91
6	Complementary Intergovernmental Relations in Educational Administration	95
	Kyoko Tokuhisa	
6.1	<i>Introduction</i>	95
6.2	<i>The Prewar Education System</i>	97
6.3	<i>Postwar Education System</i>	99
6.3.1	<i>Education Reforms During the Occupation</i>	99
6.3.2	<i>Stability of the Japanese Education System</i>	101
6.4	<i>Pressure for and Resistance Against Reform</i>	105
6.5	<i>Conclusion</i>	107
	<i>References</i>	110
7	Local Governments and Public Administration	113
	Satoru Ohsugi	
7.1	<i>Introduction</i>	113
7.2	<i>Institutional Guarantee of Local Self-Government</i>	114
7.2.1	<i>The Constitution of Japan and Local Self- Government</i>	114
7.2.2	<i>Basic Legislation Concerning Local Self- Government</i>	115
7.3	<i>Type of Local Governments and Related Institutions</i>	116

7.3.1	<i>Types of Local Governments</i>	116
7.3.2	<i>System of Coordination and Cooperation Among Self-Governing Bodies</i>	121
7.4	<i>Organizational Structure of Self-Governing Bodies</i>	124
7.4.1	<i>Executive Pluralism</i>	124
7.4.2	<i>Heads and Executive Bodies</i>	124
7.4.3	<i>Local Assemblies</i>	125
7.4.4	<i>A Relationship of Checks and Balances Between the Head and an Assembly</i>	127
7.5	<i>Conclusion</i>	129
	<i>References</i>	130
8	The Welfare State in Japan	133
	Toshiya Kitayama	
8.1	<i>Introduction</i>	133
8.2	<i>Medical and Long-Term Care Insurance</i>	134
8.3	<i>Pension</i>	138
8.4	<i>Welfare Policies</i>	138
8.5	<i>Welfare Through Work</i>	141
8.6	<i>Welfare Cut Since the 1980S</i>	143
8.7	<i>Structural Reforms in Social Welfare</i>	144
8.8	<i>Changes Since 1990S</i>	145
8.9	<i>Conclusion</i>	146
	<i>References</i>	147
9	Politics and Administration in Japan	149
	Akiko Izumo	
9.1	<i>Introduction</i>	149
9.2	<i>Politicians and Bureaucrats in the Policymaking Process</i>	152
9.3	<i>Politicians and Bureaucrats in Political Appointments Practices</i>	156
9.4	<i>Politics and Administration in Subnational Governments</i>	161
9.5	<i>Conclusion</i>	162
	<i>References</i>	163
10	The Laws on Administrative Procedures	167
	Keisuke Kagami and Masashi Hashimoto	
10.1	<i>Introduction</i>	167
10.2	<i>The Development of Administrative Procedures in Japan</i>	168

10.3	<i>The Laws on the Appropriate Management of Administrative Documents</i>	169
10.3.1	<i>The Necessity of Transparency and Privacy in Administrative Operation</i>	169
10.3.2	<i>The Public Records and Archives Management act</i>	169
10.3.3	<i>The act on Access to Information Held by Administrative Organs</i>	170
10.3.4	<i>The Act on the Protection of Personal Information</i>	172
10.4	<i>The Laws on the Fairness of Disposition</i>	174
10.4.1	<i>The Necessity of Fairness in Administrative Operation</i>	174
10.4.2	<i>The Administrative Procedure Act</i>	174
10.4.3	<i>The Administrative Complaint Review Act</i>	176
10.5	<i>Conclusion</i>	178
	<i>References</i>	180
11	The Civil Service and Public Employment	183
	Hiroko Shimada-Logie and Atsushi Konishi	
11.1	<i>Introduction</i>	183
11.2	<i>Comparison with Other Countries</i>	184
11.3	<i>Scale and Structure</i>	186
11.4	<i>Characteristics of the Civil Service System</i>	189
11.4.1	<i>Basic Concept</i>	189
11.4.2	<i>Recruitment and Qualifications</i>	190
11.4.3	<i>Employee Associations and Restrictions on Fundamental Labor Rights</i>	191
11.4.4	<i>Salary, Working Hours, and Leaves</i>	192
11.4.5	<i>Service Regulations and the Guaranteeing of Status</i>	193
11.4.6	<i>Characteristics of the Local Civil Service System</i>	194
11.5	<i>Expectations and Consequences of Reforms</i>	195
11.5.1	<i>Background of Reforms</i>	195
11.5.2	<i>Realized Reforms</i>	195
11.5.3	<i>Evaluation of Reforms</i>	197
11.5.4	<i>Changes in Local Governments</i>	197
11.6	<i>Conclusion</i>	199
	<i>References</i>	200

12 Public Finance	203
Masaru Mabuchi	
12.1 <i>Introduction</i>	203
12.2 <i>Basic Structure of the National Budget</i>	204
12.2.1 <i>Sources of Funds</i>	204
12.2.2 <i>Budget Bureau of the Ministry of Finance</i>	204
12.3 <i>Process of Drafting an Expenditure Budget</i>	205
12.3.1 <i>Request for Budgetary Appropriations</i>	205
12.3.2 <i>Original Drafts by the MOF</i>	206
12.3.3 <i>Revival Negotiations</i>	208
12.3.4 <i>Ceiling for Budgetary Appropriation Requests and Changes in the Ceiling</i>	209
12.3.5 <i>Primacy of the Budget</i>	211
12.4 <i>Settlements of Accounts and Accounting Audits</i>	212
12.4.1 <i>Institutional Positioning of the Settlement of Accounts</i>	212
12.4.2 <i>How the Board of Audit Works</i>	212
12.5 <i>Fiscal Relations Between the Central and Local Governments: Revenue</i>	213
12.5.1 <i>Local Taxes</i>	215
12.5.2 <i>Local Bonds</i>	216
12.5.3 <i>Fiscal Transfers 1: Subsidies and Others</i>	217
12.5.4 <i>Fiscal Transfers 2: Local Allocation Taxes</i>	218
12.5.5 <i>A Trinity of Reforms</i>	220
12.6 <i>The Drafting of Expenditure Budgets by Local Governments: Focusing on Comparisons with the Central Government</i>	221
12.6.1 <i>Local Fiscal Plan</i>	221
12.6.2 <i>Diverse Approaches to Budgeting</i>	221
12.6.3 <i>Comparing with the Central Government</i>	222
12.7 <i>Conclusion</i>	222
<i>References</i>	223

13	Administrative Reforms from Historical Aspects	225
	Susumu Kamimura	
13.1	<i>Introduction</i>	225
13.2	<i>Basic Characteristics of Public Administration in Japan</i>	226
13.3	<i>Patterns and the Historical Development of Administrative Reform in Japan</i>	226
13.3.1	<i>Factors for Initiating Administrative Reforms</i>	226
13.3.2	<i>Classifying with a Focus on the Distribution of Authority Among Administrative Entities</i>	227
13.4	<i>Comparing the Timing of Administrative Reforms Between Japan and the West</i>	228
13.4.1	<i>Comparing with the Pollitt and Bouckaert Model</i>	228
13.4.2	<i>Comparing Based on the Timing of Privatization</i>	229
13.5	<i>Endogenous Reforms Versus Reforms due to Western Influences</i>	231
13.5.1	<i>Reforms Based on Circumstances Unique to Japan (Type A)</i>	231
13.5.2	<i>Harmonization-Type Reforms (Type B)</i>	231
13.5.3	<i>Model-Following-Type Reforms (Type C)</i>	232
13.6	<i>Central and Local Government Relations: Top-Down-Type Reforms and Bottom-Up-Type Reforms</i>	233
13.7	<i>Examples of Reforms</i>	235
13.8	<i>Municipal Mergers as an Example of Type I Multi-level Governance in Japan</i>	240
13.8.1	<i>Description of This Chapter</i>	240
13.8.2	<i>Municipal Mergers in Japan (Type I)</i>	240
13.8.3	<i>Partial-Affairs Associations in Japan (Type II)</i>	241
13.8.4	<i>Summary</i>	242
	<i>References</i>	243
14	Institutional Differentiation of Public Service Provision in Japan: Corporatisation, Privatisation, and Re-municipalisation	247
	Jun Matsunami	
14.1	<i>Introduction</i>	247
14.2	<i>'Small' Government and the Development of Service Providers</i>	248
14.2.1	<i>The Origin of Public Service Provision in Japan</i>	248
14.2.2	<i>After 1945</i>	250

14.3	<i>Administrative Reforms to Public Service Provision Under Neoliberal Reforms</i>	252
14.3.1	<i>Privatisation of the Three Public Corporations in the 1980s</i>	252
14.3.2	<i>Hashimoto Administrative Reform and Public Service Provision</i>	253
14.3.3	<i>Koizumi Postal Privatisation and Other Administrative Reform</i>	254
14.3.4	<i>Delayed Reforms in Local Governments</i>	256
14.4	<i>Re-municipalisation in Recent Years</i>	258
14.5	<i>Conclusion</i>	258
	<i>References</i>	260
15	Participatory Administration and Co-production	263
	Itaru Yanagi	
15.1	<i>Introduction</i>	263
15.2	<i>Direct Democracy in Local Governments</i>	264
15.2.1	<i>Initiative</i>	264
15.2.2	<i>Recall</i>	265
15.2.3	<i>Referendum</i>	266
15.3	<i>Civil Society Organisations</i>	267
15.3.1	<i>Overview of CSOs</i>	267
15.3.2	<i>Neighbourhood Associations</i>	268
15.4	<i>Recent Trends</i>	269
15.4.1	<i>Co-production</i>	269
15.4.2	<i>Citizen Participation in Local Assembly</i>	270
15.5	<i>Conclusions</i>	272
	<i>References</i>	274
16	The Digital Transformation (DX) of the Japanese Government	277
	Koichiro Agata	
16.1	<i>Introduction</i>	277
16.2	<i>Four Principles for DX in Government</i>	278
16.2.1	<i>Standardisation</i>	278
16.2.2	<i>Digitisation</i>	279
16.2.3	<i>Sharing Data</i>	279
16.2.4	<i>Security</i>	279

16.3	<i>Reflections on DX Development of the Japanese Government</i>	280
16.3.1	<i>DX Policies Based on DX by the Government (Macro-policy)</i>	280
16.3.2	<i>Laws and Measures for DX in National Government (Micro-policy)</i>	282
16.4	<i>Discussions According to the Principles</i>	285
16.4.1	<i>Standardisation</i>	285
16.4.2	<i>Digitisation</i>	286
16.4.3	<i>Sharing Data</i>	287
16.4.4	<i>Security</i>	289
16.5	<i>Conclusion</i>	290
16.5.1	<i>Summarised Discussions of DX in the Japanese Government</i>	290
16.5.2	<i>Perspectives</i>	290
	<i>References</i>	293
17	The Management of Human Resources in Japan's Public Service	295
	Mika Nishimura	
17.1	<i>Introduction</i>	295
17.2	<i>Discrepancy Between Position-Based Systems and People-Based Operations</i>	296
17.2.1	<i>Prewar Personnel Management</i>	296
17.2.2	<i>Creating the New Public Service Under the New Constitution</i>	297
17.2.3	<i>Introducing Scientific Personnel Management</i>	297
17.2.4	<i>Remunerations That Deviate from Job Duties</i>	298
17.2.5	<i>Appointments That Retain Prewar Personnel Practices</i>	299
17.2.6	<i>A Merit Principle with Ambiguous Relation to Positions</i>	300
17.2.7	<i>Local Public Service System and the Human Resource Management in the Postwar Era</i>	301
17.3	<i>Re-introducing Duties-Based Standards Through the Public Service Reform</i>	302
17.3.1	<i>Movement for the Public Service Reform</i>	302
17.3.2	<i>Shift to Ability and Performance Management</i>	303

17.3.3	<i>Revision of Remuneration System</i>	303
17.3.4	<i>Changes in Promotions and Career Development</i>	304
17.3.5	<i>Centralized Management of Executive Officials</i>	305
17.3.6	<i>Changes to Reemployment Regulations</i>	306
17.3.7	<i>Performance Management in the Local Public Service</i>	307
17.4	<i>Residual Issues: Conflicts Among Duties, Positions, and People</i>	308
17.4.1	<i>Challenges for the Public Service in a “Society Where All 100 Million People Play Active Roles”</i>	308
17.4.2	<i>Reducing Long Working Hours</i>	309
17.4.3	<i>Promoting Women</i>	309
17.4.4	<i>Raising the Mandatory Retirement Age</i>	310
17.5	<i>Conclusion: Declining Popularity of Public Service</i>	311
	<i>References</i>	312
18	Control and Evaluation	315
	Kiyoshi Yamaya	
18.1	<i>Introduction</i>	315
18.2	<i>Administrative Control in Japan</i>	316
18.3	<i>From Accountability to “Accountabilities”</i>	319
18.4	<i>New Public Management</i>	322
18.5	<i>Evaluation</i>	323
18.6	<i>Conclusion</i>	328
	<i>References</i>	330
19	Crisis Management	333
	Masakatsu Okamoto	
19.1	<i>Characteristics of the Japanese Government’s Crisis Management</i>	333
19.1.1	<i>The First Change in Half a Century</i>	333
19.1.2	<i>A Half-Century of Calm and Then Rapid Change</i>	334
19.1.3	<i>Rediscovering Crisis Management Administration</i>	335
19.2	<i>Government Crisis Management Mechanisms</i>	336
19.2.1	<i>Classifications of Crises</i>	336
19.2.2	<i>Organization of the Cabinet Secretariat</i>	337

19.2.3	<i>Operation</i>	338
19.2.4	<i>Local Governments</i>	339
19.2.5	<i>Private-Sector Organizations</i>	339
19.3	<i>Special Circumstances in Japan 1: Major Natural Disasters</i>	340
19.3.1	<i>Major Wind and Flood Damage</i>	340
19.3.2	<i>Large-Scale Earthquakes</i>	341
19.4	<i>Special Circumstances in Japan 2: Security</i>	343
19.4.1	<i>Renunciation of War, and the Changing Environment</i>	343
19.4.2	<i>International Peace Operations</i>	344
19.4.3	<i>North Korean and Chinese Provocations</i>	344
19.4.4	<i>Cyberattacks</i>	345
19.5	<i>Spread of New Infectious Diseases</i>	346
19.6	<i>Japan's Strengths and Challenges</i>	347
19.6.1	<i>Citizens' Awareness and Actions</i>	347
19.6.2	<i>Expected and Unexpected Crises</i>	348
19.7	<i>Conclusion</i>	349
	<i>References</i>	349
20	The Great East Japan Earthquake and the Fukushima Nuclear Accident	351
	Hiroaki Inatsugu	
20.1	<i>Introduction: Japan, an Earthquake-Prone Country</i>	351
20.2	<i>Before the Great East Japan Earthquake</i>	352
20.3	<i>The Great East Japan Earthquake and Its Aftermath</i>	354
20.3.1	<i>Overview of the Earthquake</i>	354
20.3.2	<i>Disaster Occurrence and Initial Response</i>	355
20.3.3	<i>Government Organisations' Responses to the Disaster</i>	357
20.4	<i>Recovery and Reconstruction Process</i>	358
20.4.1	<i>Municipalities' First Principle and Large-Scale Complex Disasters</i>	358
20.4.2	<i>Municipalities' Reconstruction Plans and the Reconstruction Funding Frame to Support Them</i>	360
20.4.3	<i>Progress in Reconstruction Activities</i>	361
20.4.4	<i>Response in Nuclear Disaster-Affected Areas</i>	364
20.5	<i>Conclusion: Lessons Learned</i>	365
	<i>References</i>	367

21	Structure of Trust in Government and Public Administration in Japan	369
	Kosuke Oyama	
21.1	<i>Introduction</i>	369
21.2	<i>The Level of Trust in G & PA in Japan Will Be Located Based on International Comparison</i>	371
21.3	<i>The Independent Variables That Determine the Level of Trust in G & PA</i>	373
21.4	<i>The Varying Degree of Trust in the State and in Local Government and the Factors</i>	377
21.5	<i>The Recent Shift of Performance Goals and Its Impact on the Level of Trust</i>	379
21.6	<i>Conclusion</i>	383
	<i>References</i>	383
22	Public Management Reforms in Japan: With and After NPM	387
	Norio Kazama	
22.1	<i>Introduction</i>	387
22.2	<i>New Public Management in Administrative Reforms</i>	388
22.3	<i>History of NPM Reforms in Japan</i>	388
22.3.1	<i>The Pre-history of NPM</i>	388
22.3.2	<i>Hashimoto's Administrative Reforms</i>	390
22.3.3	<i>Koizumi's Structural Reforms</i>	393
22.3.4	<i>Penetration of the NPM Idea in Public Administration</i>	396
22.4	<i>Reform Paradigms Other Than NPM</i>	397
22.4.1	<i>Three Paradigms of Public Management Reforms</i>	397
22.4.2	<i>NWS-Oriented Reforms in Japan</i>	398
22.4.3	<i>NPG- Oriented Reforms in Japan</i>	399
22.5	<i>Conclusion: Future of Public Management Reform in Japan</i>	401
	<i>References</i>	402
	Glossary	405
	Index	417

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LIST OF FIGURES

Fig. 1.1	The axis of centralization-decentralization and the axis of fusion-separation. (Drawn by the editors)	7
Fig. 2.1	Administrative affairs under the jurisdiction of the Cabinet Office and 11 Ministries in 2001 and 2021 (CO: Cabinet Office, MIC: Ministry of Internal Affairs and Communications, MOJ: Ministry of Justice, MOFA: Ministry of Foreign Affairs, MOF: Ministry of Finance, MEXT: Ministry of Education, Culture, Sports, Science and Technology, MHLW: Ministry of Health, Labor and Welfare, MAFF: Ministry of Agriculture, Forestry and Fisheries, METI: Ministry of Economy, Trade and Industry, MLIT: Ministry of Land, Infrastructure, Transport and Tourism, MOE: Ministry of the Environment, MOD: Ministry of Defense). (Source: Author)	22
Fig. 2.2	Employment in general government as a percentage of total employment in the G7 states. (Source: Website of OECD <i>Governance at a Glance</i> 2011/2021 (https://doi.org/10.1787/888934257337 ; https://doi.org/10.1787/888932390538 (retrieved 31 March 2022)))	23
Fig. 2.3	General government expenditures as a percentage of GDP in the G7 states. (Source: Website of OECD <i>Governance at a Glance</i> 2011/2021 (https://doi.org/10.1787/888934257033 ; https://doi.org/10.1787/888932389873 (retrieved 31 March 2022)))	24
Fig. 2.4	Number of bills submitted to the Diet by the Cabinet Secretariat from 2012 to 2021. (Source: Website of the Cabinet Legislation Bureau of Japan (https://www.clb.go.jp/recent-laws/ (retrieved on 31 March 2022)))	28

Fig. 3.1	State of net total expenditures by purpose across national and local governments. (Source: Ministry of Internal Affairs and Communications, <i>White Paper on Local Public Finance 2022</i> , p.4)	48
Fig. 3.2	Distribution of general government revenues across levels of government, 2021 and 2022. (Source: OECD, <i>Government at Glance 2023</i> , Fig. 10.7)	49
Fig. 3.3	Distribution of general government expenditures across levels of government, 2021 and 2022. (Source: OECD, <i>Government at Glance 2023</i> , Fig. 11.12)	49
Fig. 5.1	Organization chart of public administrative bodies comprising the central government of Japan	75
Fig. 5.2	Location of Ministries in 1916, 1937, and 1993. (Source: Mizutani (1999, p. 40))	80
Fig. 6.1	Intergovernmental relations in terms of education policy. (Created based on the chart drawn by the Union of KANSAI Government (https://www.kouiki-kansai.jp/material/files/group/3/1374223165.pdf))	104
Fig. 7.1	Types of local governments	118
Fig. 7.2	Checks and balances between an assembly and the head. (Source: Figure 2.1 in Ohmori and Ohsugi (2021))	128
Fig. 8.1	Social security benefit expenditures. (Source: https://www.mhlw.go.jp/content/000973207.pdf)	134
Fig. 8.2	Social security funding where taxes supplement social insurance funding (initial budget for 2019)	137
Fig. 8.3	Annual changes in the number of welfare recipients, public assistance ratio, and the number of households receiving public assistance. (Source: https://www.mhlw.go.jp/content/12201000/000908527.pdf)	140
Fig. 11.1	National civil servants and local civil servants in Japan. (Source: NPA, <i>2022 National Civil Servant Profile</i>)	186
Fig. 11.2	International comparison of the number of public sector employees per 1000 people	187
Fig. 11.3	Central government is also adapting to local needs—from fiscal year 1994 to 2021. Combining the central and local governments into one figure	188
Fig. 12.1	Illustrating fiscal relations between the central and local governments	214
Fig. 16.1	Standardised procedures in the central government. Source: DA, 2022	285
Fig. 16.2	Digitised files in the central government. Source: Drawn by the author based on CAO, 2023	287

Fig. 16.3	Progradation of my number cards. Source: Drawn by the author based on MIC, 2024, as of June in 2024, otherwise of every March	288
Fig. 17.1	The relationship between personnel evaluation and promotion. Source: National Personnel Authority, “8. Personnel management based on competence and performance: Utilizing personnel evaluations,” <i>FY2022 Personnel Administration as Promoted by the National Personnel Authority—National Civil Service Profile</i> . https://www.jinji.go.jp/eng/publications/2022profile/8_Personnel_Management_based_on_Ability_and_Performance.pdf	305
Fig. 17.2	Utilization of personnel evaluations in local governments (2022). Source: Ministry of Internal Affairs and Communications, “Key findings of a survey on the utilization of personnel evaluation results,” as of April 1, 2022. https://www.soumu.go.jp/main_content/000853149.pdf	308
Fig. 17.3	Percentage of Woman at Various Levels of Public Service. Source: Produced by the author from Figs. 1–7, 1–9, and 1–10 in <i>The White Paper on Gender Equality 2023</i> , published by Gender Equality Bureau, Cabinet Office. https://www.gender.go.jp/about_danjo/whitepaper/r05/zentai/pdf/r05_genjo.pdf	310
Fig. 18.1	Flow of government policy evaluation in Japan. Source: Ministry of Internal Affairs and Communications (2017). Seisaku Hyoka Q&A (Q&A for policy evaluation), and Nishino (2023)	325
Fig. 19.1	Main classifications of emergency situations. (Source: The Cabinet Secretariat’s homepage)	336
Fig. 19.2	The Cabinet Secretariat’s Crisis Management Organization. (Source: Processing of the Cabinet Secretariat’s homepage)	337
Fig. 20.1	Overview of the Great East Japan Earthquake	354
Fig. 20.2	Status of reconstruction-related budgets (FY2011 to FY2019). Reference: Reconstruction Agency, <i>Status of Reconstruction from the Great East Japan Earthquake and Reconstruction Efforts</i> , 2020 September.P.29	362
Fig. 20.3	Progress of reconstruction from the Great East Japan Earthquake. Resources: Reconstruction Agency (2020/Sep) <i>Status of Reconstruction from the Great East Japan Earthquake and Reconstruction Efforts</i> , p. 10	363
Fig. 21.1	An international comparison of trust in the government. Note: The lower the number, the higher the amount of trust	372

Fig. 21.2	An international comparison of trust in public administration. Note: The lower the number, the higher the amount of trust	372
Fig. 21.3	Trust in politics and public administration, by national government, prefecture, and municipality. Source: Figure 1 of Ikeda (2010, p. 21)	377
Fig. 21.4	Public servants' awareness of professional ethics. Source: Figure 2 of Ikeda (2010, p. 22)	378
Fig. 21.5	Degree of trust in public organizations and systems (World Values Survey, "A lot of trust" + "Some trust"). Source: Figure 5.3 of Doshisha University—Dentsu Institute (2020, p. 26)	380
Fig. 21.6	Process and results for trust in national public servants. Source: Created based on Figure 3 and Table 6 of Oyama (2020, pp. 7, 12)	382

LIST OF TABLES

Table 1.1	Jurisdiction and resources of the Japanese civil service	6
Table 5.1	Allocation and monitoring of administrative resource	90
Table 9.1	Typologies and the relationship between Japanese politicians and bureaucrats	153
Table 9.2	List of special service positions (excluding ministers, deputy ministers, and parliamentary vice-ministers)	159
Table 12.1	Initial ceiling figures for budgetary appropriation requests	210
Table 13.1	Comparison of timings of privatizations	230
Table 13.2	Timings of different types of reforms	233
Table 13.3	Relations with the central government in the context of local administrative reforms	235
Table 14.1	DMS in number (Matsunami (2020) with 2018 data)	257
Table 18.1	History of the introduction of policy evaluation in Japan	324
Table 21.1	Factors for trust in countries' public administration (systems), according to World Values Survey 2019	373
Table 21.2	Determining factors of trust in public administration: ordinal logit analysis	375



Backgrounds and Key Characteristics of Japanese Public Administration

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and Hideaki Shiroyama*

1.1 BACKGROUND TO THE MODERN JAPANESE ADMINISTRATIVE SYSTEM: TWO MAJOR REFORMS AND THE PRESENT

The framework of the modern Japanese administrative system was formed by two major reforms after the 250-year reign of the Edo Shogunate from the early seventeenth century: the Meiji Restoration and the postwar reforms following World War II. This section first looks at these two reforms.

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1.1.1 *Meiji Restoration*

Japan, island country located in the East Asia, has a long history: in the early eighth century it established laws and a system for governing the land and its people through a centralized state structure centred on the emperor (“Tenno”); it soon established the capital in Kyoto. This system was later replaced by an era of samurai rule, which led to an era of feudal lords. Then, in the early seventeenth century, the Tokugawa clan brought the whole country under their control, established the Tokugawa Shogunate government, moved the capital to Edo (now Tokyo), and established the Edo Shogunate-Han (feudal domain) system. This system was based on the feudal lord-subordinate relationship of Shogunate (General) and clan (feudal lord) but ruled the whole country through some 300 clans throughout the country, each of which was given the right to rule within its own territory, including issuing currency. The Edo Shogunate adopted an isolationist system, which only allowed trade with the Netherlands and China in certain areas of Nagasaki, at the western end of Japan, and prohibited other foreign contacts. Being an island nation made this system of isolation possible for more than two centuries.

In the nineteenth century, however, Britain, France, and Russia tried to expand into Japan. The United States then began to forcefully demand the opening of Japan from 1853, and the Tokugawa Shogunate, feeling that it could not match them in force of arms, responded by signing the Treaty of Amity between Japan and the United States the following year, followed by similar treaties with Britain, Russia, and other countries. In subsequent treaties, Japan lost its tariff autonomy and granted extraterritoriality to foreigners, and for a long time thereafter, Japan suffered from the repeal of these unequal treaties.

Around the same time, the movement to overthrow the Shogunate became active, with the Satsuma and Choshu clans of non-Tokugawa feudal lords leading a successful campaign against the Shogunate, ending the Tokugawa Shogunate and giving rise to the new Meiji government in 1868. It is called the Meiji Restoration, but it was in fact a revolution. The new Meiji government formed a centralized, unified state with the emperor at its head and promoted the transition from a feudal to a modern society.

The new government consisted mainly of people from Satsuma, Choshu, and other clans who had joined the campaign against the Shogunate. First, the feudal lords returned their fiefs and territories to the emperor, abolished the clans and established prefectures (initially about

300, the same number as the clans, but later reduced to 47 in 1883, the same number as today), made the former clan lords live in Tokyo, and sent government-appointed prefectural governors to govern the prefectures. This brought the entire country under the direct control of the government, and the feudal system was dismantled in both name and reality.

Since the opening up to the outside world in 1853, Japan's top priorities were to reform unequal treaties, increase national wealth and military strength, and catch up with the Western powers. Internationally, Japan was required to develop a Western-style legal and administrative system at a rapid pace and to integrate into the international legal order in order to join the international community of Western countries as soon as possible. First, the Constitution of the Empire of Japan was promulgated in 1889, and the first Imperial Diet was held in 1890. Around this time, the municipal (1888) and prefectural (1890) systems of local government were established. Municipalities were granted independent legal personality and were given the right to manage public affairs and delegated affairs, and to enact ordinances and regulations. Prefectural governors were appointed by officials of the Ministry of the Interior and were subject to its supervisor. In addition to their own affairs of the municipalities, there were also a number of affairs performed by the municipalities under institutional delegation with regard to the affairs of the state. An interfusion-type local system (see Chap. 3) had already begun in the Meiji period.

Moreover, in order to achieve the national goal of "catching up with the West" with maximum efficiency, it was essential to develop an excellent bureaucracy. After the Meiji Restoration, the principle of free appointment of officials by the Meiji government and the appointment of officials based on the sentiments of clan cliques came under criticism, and the Meiji government introduced a civil service examination system in 1887, before the Constitution was enacted. Then, in 1893, the Civil Service Appointment Ordinance (an imperial ordinance on the civil service) was enacted, which was amended in 1899 to curb political involvement in the appointment of officials, and the principle of meritocracy was thoroughly enforced.

Thus, by the beginning of the twentieth century, Japan's administrative systems were complete as a modern state.

1.1.2 *Postwar Reforms*

In August 1945, Japan was defeated in World War II. Following the defeat, Japan was occupied by Allied forces (until 1952). The occupying forces were effectively US forces, and General MacArthur, the Supreme Commander of the Allied Powers, appointed by the US President, established the General Headquarters (GHQ) in Tokyo. A Council on Japan was also set up in Tokyo as an advisory body to the Supreme Commander, consisting of four countries—the United States, Britain, China, and the Soviet Union—but it had little influence, and GHQ pursued its Occupation Policy against Japan with great power.

The central reform of the Occupation was the enactment of new constitution. The government's original draft was merely a revision of the Meiji-Era Imperial Constitution of Japan, so GHQ rejected it and submitted its own draft of a new constitution to the Japanese side, which included the principles of renunciation of war and popular sovereignty. The government then prepared a new draft based on the GHQ proposal, and in 1946, a new Constitution of Japan was enacted based on the principles of popular sovereignty, pacifism, and guarantees of basic human rights.

Soon thereafter, provisions for various democratic laws and regulations, such as the Local Autonomy Act, the Election of Public Officials Act, the Police Act, and acts related to the education, were enacted to establish the administrative structure under the new constitution. The Constitution of Japan included a chapter on local self-government in Chapter VIII, which constitutionally guaranteed local self-government. It stipulated that the people should directly elect the heads of local public bodies and members of assemblies, and that prefectural governors should also be elected. This was a major change from the prewar system in which prefecture governments functioned as organs of the Ministry of Interior and were headed by Ministry bureaucrats who were transferred through personnel changes.

However, fearing that publicly elected governors would no longer follow the instructions of the central government, the bureaucracy of ministries decided to extend the institutional delegation that had previously applied to the municipalities to the prefectures in order to ensure that the affairs of the state were carried out. This system, in which both the prefectures and municipalities carry out their own affairs as well as those of the national government as agency-delegated function, is known as the fusion type and is a system that is not often seen in other countries.

The police and education systems were reformed under the influence of GHQ. Before the war, the national police system was based on the National Police Service (NPS), which was part of the Ministry of Interior, but with a view to democratization, the old Police Law was enacted in 1947, based on American-style municipal police, and over 1600 municipal police were established throughout the country. In the field of education, the Board of Education system was established (1948), consisting of publicly elected school board members, and municipal school boards were given the right to appoint teachers.

However, these American-style systems were not permanently accepted by Japan as they were. Regarding the police system, the end of the GHQ Occupation in April 1952 and the restoration of Japan's independence led to the enactment of the current Police Act in 1954, which established a police headquarters in each prefecture (47 headquarters). The fragmented municipal police system is said to be because, unlike in the United States, Japan's geographical characteristics of a series of small municipalities made it difficult to deal effectively with crimes in a wide area, and the financial burden on local municipalities was significant.

Regarding education, the Act on the Organization and Operation of the Local Education Administration was enacted in 1956, replacing the previous Board of Education Law, which abolished the public election of education commissioners, with the head of prefecture or municipality appointing them with the consent of the assembly. A system of approval for the appointment of education directors was introduced, which required the approval of higher-level organizations such as the Minister of Education and the Prefectural Board of Education when making the appointment (this system continued until 2000).

Thus, although the postwar reforms under the GHQ Occupation introduced many American-style systems, they did not take root in their original form due to Japan's unique geographical characteristics, organization, culture, and emphasis on efficiency.

1.2 KEY CHARACTERISTICS OF JAPANESE PUBLIC ADMINISTRATION AND THE STRUCTURE OF THIS PUBLICATION

The Japanese public administration, which has been shaped by two major reforms, is characterized by the broad scope of its jurisdiction and the fact that it is carried out with a small number of staff and financial resources (see Chap. 2). The ratio of the number of civil servants to the number of employees in Japan is only 4.55% (OECD, 2023, p. 181), which is extremely low compared to the OECD average of 18.63%, the Nordic countries all above 25%, France 21.13%, UK 16.90%, the United States 14.95%, and Germany 11.13%. On the other hand, Japan is sometimes perceived as a bureaucracy-led state (Johnson, 1982). One of the characteristics of Japanese public administration is that it operates with a small number of staff and financial resources, even though the volume of activity appears to be large. The Table 1.1 below illustrates this.

As we have already seen, the basic premise of the various individual policies pursued by the Japanese administration was to catch up with the West, which was the main goal and aspiration. It was important to achieve this national goal with maximum efficiency. It is possible that the idea of using the resources available for administration as efficiently as possible has become a common norm (Muramatsu, 1994).

One mechanism that may have brought about efficiency is the feature of interfusion in central and local affairs (see Chap. 3, Sect. 3.1). Interfusion refers to circumstances wherein local governments are comprehensively responsible for the provision of administrative services at a local level, while the central government is able to be broadly involved in the execution of affairs by local governments. This feature has been a characteristic of Japan's local government system due to the historical background

Table 1.1 Jurisdiction and resources of the Japanese civil service

		<i>Jurisdiction of civil service</i>	
		<i>Narrow</i>	<i>Broad</i>
<i>Financial and human resources of civil service</i>	Plentiful		
	Limited		Japan

Drawn by editors

described above. The division of affairs between the national government and the prefectures and municipalities has been carried out in an overlapping manner. Much of the global debate on central-local relations concerns the axis of centralization-decentralization. In the Japanese context, a more important concept to consider than the centralization-decentralization axis is that of fusion-separation. This concept is also addressed in several chapters of this publication (Fig. 1.1).

However, since the end of the twentieth century, when the goal of catching up with the West was achieved, the traditional system may have turned to reverse functioning. The ethos of catch-up modernization since the Meiji period, its transformation since the end of the twentieth century, and the reorganization of ministries and decentralization reforms in the early twenty-first century are explained in Chap. 2 and below.

Below, the first part of this publication discusses the basic institutions and policy formation process—Chap. 2: “Constitutional State and Public Administration”; Chap. 3: “Central and Local Government Relations”; Chap. 4: “Internationalization and Japanese Public Administration”; Chap. 5: “Structure and Functions of the Central Government”; Chap. 6: “Complementary Intergovernmental Relations in Educational Administration”; Chap. 7: “Local Governments and Public Administration”; Chap. 8: “The Welfare State in Japan”; Chap. 9: “Politics and Administration in Japan”; Chap. 10: “The Laws on Administrative Procedures”, Chap. 11: “The Civil Service and Public Employment”; and Chap. 12: “Public finance.”

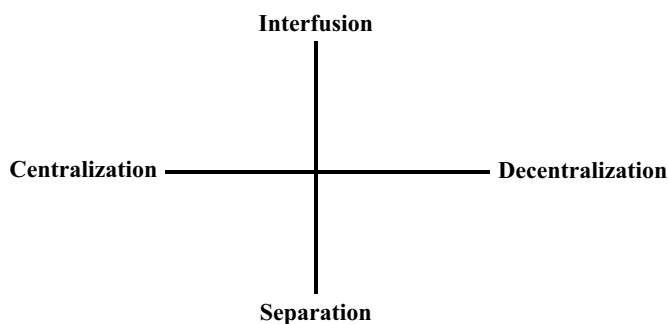


Fig. 1.1 The axis of centralization-decentralization and the axis of fusion-separation. (Drawn by the editors)

Part 2: “Recent Trends and Developments” covers: Chap. 13: “Administrative Reforms from Historical Aspects”; Chap. 14: “Institutional Differentiation of Public Service Provision in Japan: Corporatisation, Privatisation, and Re-municipalisation”; Chap. 15: “Participatory Administration and Co-production”; Chap. 16: “The Digital Transformation (DX) of the Japanese Government”; Chap. 17: “The Management of Human Resources in Japan’s Public Service”; Chap. 18: “Control and Evaluation”; Chap. 19: “Crisis Management”; Chap. 20: “The Great East Japan Earthquake and the Fukushima Nuclear Accident”; Chap. 21: “Structure of Trust in Government and Public Administration in Japan”; Chap. 22: “Public Management Reforms in Japan: With and After NPM.”

The chapters are summarized in Sects. 1.3 and 1.4.

1.3 BASIC INSTITUTIONS AND PROCESSES

Chapter 2 describes the development of the Japanese administrative state in terms of the roles and functions of the executive branch and the administrative resources to fulfil them. Considering the total number of administrative affairs under the jurisdiction of the Cabinet Office and ministries, the roles and functions of the Japanese executive branch are quite extensive. However, there are fewer financial and human resources available to fulfil these roles and functions than in other industrialized countries. The prime minister’s leadership was strengthened by the electoral and cabinet system reforms in the 1990s, but the reforms could not significantly change the Japanese administrative state.

Chapter 3 analyses the historical development of the relationship between the central and local governments in Japan and clarifies the characteristics of the relationship between the central and local governments in Japan by setting a framework of interfusion and separation. When modernizing, Japan chose to adopt the interfusion model of the relationship between central and local governments, whereby the central government delegates its policies to local governments to ensure their implementation. The relationship between the central and local governments in Japan has undergone changes through the wartime regime, reforms implemented during the Occupation, and decentralization reforms that have been taking place since the 1990s. However, the characteristics of interfusion have been maintained.

Chapter 4 analyses the development of public administration in Japan starting in the second half of the nineteenth century from the perspective

of the interaction between the international framework and domestic dynamism across three stages: the construction of a modern state under unequal treaties, reforms carried out during the Occupation regime under the GHQ, and reforms carried out in response to external pressure for internationalization and globalization. The behavioural pattern of selecting and modifying models provided by Western countries in line with conditions in Japan is identified. In addition, the division of roles among multiple levels of government is examined in accordance with cases of the domestic implementation of the Vienna Convention for the Protection of the Ozone Layer and the WTO Agreement on Government Procurement.

Chapter 5 describes the central government of Japan, composed of the Cabinet, the Cabinet Secretariat, and a ministerial structure comprising the Cabinet office, 12 ministries, and independent entities. Its characteristics as an administrative organization include the standardization of the ministry structure, efforts to enhance the function of the cabinet, and lack of effective oversight of the ministry by the commission system. The reorganization of ministries and government offices in 2001, impacts of the change of government in 2009 and 2012, and instances where an agency has been established on an exceptional basis to address issues of paramount importance, such as the establishment of the Reconstruction Agency in 2012 following the Great East Japan Earthquake and the Digital Agency in 2021 following the global pandemic of COVID-19, are also analysed.

Chapter 6 provides historical clarification as to how Japan's education system has built strong cooperation and a division of labour among governments: the Ministry of Education, prefectural boards of education, and municipal boards of education. The standardization of school facilities, standardization of curricula, and the homogenization of teaching staff are essential for effectively guaranteeing equal opportunities in education. Attempts to build interdependent governmental relations had been made even before World War II, but these attempts were insufficient due to financial constraints at the time. The American Occupation attempted a thorough decentralization of educational administration, but after the Occupation ended, the law was amended to permit the involvement of the Ministry of Education and prefectural boards of education and render closer intergovernmental relationships. Consequently, a system for attaining standardization was developed by having the central government be responsible for defining national standards and guaranteeing financial resources and having prefectural governments be in charge of

homogenization through the wide-area assignment of teachers and the provision of teaching instructions.

Chapter 7 describes the organizational structure and operation of local governments in Japan. Japan's local autonomy system consists of a two-tier system of prefectures as regional government units and municipalities as basic local government units. The role of local autonomous bodies in the government sector is exceedingly huge. On the other hand, significant financial disparities continue to exist among local governments. The level of administrative services has been left to the discretion of the regions due to decentralization reforms. A quarter of a century after decentralization reforms began, local governments in Japan find themselves standing at a crossroads. Considering the arrival of a society marked by a declining birthrate, aging population, and depopulation, it is uncertain as to whether the current system is sustainable.

Chapter 8 analyses the welfare state in Japan. In Varieties of Capitalism (VoC) literature, Japan is classified as one of firm-specific coordinated market economies. However, according to welfare state classification by Esping-Andersen, locating Japan among the three worlds of welfare capitalism is difficult. The chapter attempts to explore this ambiguity by examining the relevant historical developments in Japan. It demonstrates how Japan started to emulate German model but learned also from the Nordic approaches to construct eclectic and unique welfare state. This welfare state also complements the firm-specific coordinated market economy of Japan. It also claims the necessity of examining not only the welfare regime but also the employment regime. This chapter concludes by referring to the recent changes in employment regime and political institutions and how they affect the welfare regime.

Chapter 9 examines the relationship between "politics" and "administration" in Japan from the perspective of two relationships: (1) the executive system and the policy process, and (2) the executive and civil service systems. From the first perspective, this chapter underlines the strengthened role of political parties in the policy process as opposed to traditional bureaucratic leadership. Bureaucrats and politicians competing and cooperating in the policy process have been highlighted in the literature as a characteristic of Japanese politics. Since the 2000s, the influence of the Prime Minister's Office has increased with the strengthening of its leadership over the ruling party and bureaucracy. From the second perspective, political appointments were institutionally limited. However, in collaborative political-bureaucratic relations, senior bureaucrats have coordinated

the policy process with politicians. The new procedure for appointing senior bureaucrats established in 2014 increased the tendency to emphasize the political responsiveness of the bureaucrats.

Chapter 10 reviews the laws regulating administrative procedures in Japan. Through these laws, the government of Japan has established procedures for appropriate information management and the protection of the rights and interests of the public regarding administrative activities. Concretely, (1) the Public Records and Archives Management Act, (2) the Act on Access to Information Held by Administrative Organs, (3) the Act on the Protection of Personal Information, (4) the Administrative Procedure Act, and (5) the Administrative Complaint Review Act are dealt with. This chapter points out that these laws all entrust their operations to administrative organs and staff and claims that future reforms must focus on improving operations within administrative organs including a functional management system and effective training methods.

Chapter 11 analyses the civil service and public employment in Japan. Under a consistent principle of small government in Japan from the 1960s, the rapid increase in administrative demands has to be met by excessive amounts of overwork of regular employees who are faithful to their own ministry and the surge in the number of non-regular employees under inferior working conditions. The civil service reform in the 2000s, aiming at eliminating waste caused by the pursuit of ministry-specific interests, introduced the Prime Minister's control of executive personnel, but this resulted in further exhaustion and demoralization of employees. The fragility of the administration system in times of crisis, which relies on the commitment of civil servants in charge, has also been exposed. As the civil service has come to be obviously avoided by young competent people, discussion of "staffing according to workload" and attempts to improve working conditions of non-regular employees have been started as late as recent years.

Chapter 12 describes public finance and particularly the general account budget of national government. This chapter examines the positioning of budgets in Japan comparing with laws. Budgets have points in common with and points of difference from laws. The former includes the fact that neither a budget nor a law can be enacted unless the Diet adopts a resolution. On the other hand, there are several points of difference between budgets and laws. First, a draft budget must first be submitted to the House of Representatives. This is known as the House of Representatives' priority in budgetary discussions. In draft budget deliberations, once the

House of Representatives adopts a resolution, the budget will be automatically enacted 30 days later even if the House of Councillors has not yet completed its deliberations. Second, it is required that the budget for the following FY be enacted by the end of the current FY and implemented from the beginning of the new FY. Third, the Cabinet alone, and not the Diet, has the right to propose a draft budget, unlike laws. Based on the understanding, framework and process of budgeting of central government and fiscal relations between local and central governments in Japan are reviewed.

1.4 RECENT TRENDS AND DEVELOPMENTS

Chapter 13 explores the postwar history of administrative reforms in Japan in connection with reform trends in Europe and the United States. Until the 1980s, these reforms consisted primarily of independent initiatives based on Japan's own internal motives. Since the 1990s, however, the influence of demands to open markets and global norms became prominent. In the 2000s, New Public Management (NPM) reforms could be discerned. Nevertheless, in light of Japan's unique circumstances, it was difficult to claim that the features of these reforms were actually realized. In addition, this chapter discusses the mergers of municipal governments in Japan as examples of MLG (multi-level governance) system dynamism. It identifies the wishes of the ruling party to actively promote "voluntary amalgamations" as a factor of success.

Chapter 14 analyses the institutional differentiation of public service provision in Japan. The modern Japanese government has remained "small" in terms of the number of public employees by developing several ways to provide public services. Before World War II, Japan created public enterprises, special companies, public corporations, and other legal entities. Industrial associations played an important role in regulating industrial sectors. Local governments followed the central government in providing public services. At the grassroots level, neighbourhood organizations played important roles in providing information from the government and complementing public service provision by local governments. Public service provisions by quasi-governmental and non-governmental organizations continued after World War II. In recent years, administrative reforms have converted the provision of some public services by the public sector into provision by the private sector. Public corporations were privatized and reorganized. An Incorporated Administrative Agency (IAA)

was created. At the local government level, public service provisions by non-governmental bodies were expanded by the Designated Management System (DMS). Thus, institutional differentiation of public service provision allowed the Japanese government to remain small.

Chapter 15 reviews participatory administration and co-production in Japan. The relationship between the government and citizens and civil society organizations (CSOs) is particularly close for local governments. The institutions of direct democracy tend to be utilized by citizens and CSOs who have opinions different from those of local government chief executives and assemblies. However, in some institutions, citizens do not have the final authority to make decisions. Even in institutions where citizens have the final authority to decide, the requirements for triggering them are strict or the topics are limited. However, many CSOs participate in the service delivery phase, and the government supplements its scarce administrative resources by partnering with them. Since the 1990s, against rising civic activism and financial difficulties, the government has introduced co-production that actively encourages participation in the design of policies and the service delivery phase. This chapter also touches on the issues of accountability, transparency, and representation of participants.

Chapter 16 discusses the development of DX of the Japanese government based on four principles for the DX in government. First, concerning the standard principle, formal conditions, namely, the written form principle, the uniform rule for document management and circulation, as well as networking and its expansion of electronic communication infrastructures, are met, while the electronic procedures are still to be applied extensively. Second, according to the digitization principle, more administrative files should be produced in digital form. The current volume of already digitized administrative documents must be evaluated as underwhelming if any DX in the central government should be promoted unobstructed. Third, regarding the sharing data principle, the cloud migration system in the central government has just been embarked on, while the My Number system will be further broadened and applied more deeply in concrete areas. Fourth, the security system is reliably developed to implement the zero-trust principle compatible with the DFFT (Data Free Flow with Trust) principle.

Chapter 17 analyses the recent change of the management of human resources in Japan. Human resources management in the Japanese public sector has been characterized by people-based management since before World War II. The postwar reform of the public service attempted to

introduce an American job classification system in vain, and the prewar practices of people-based management have remained. In the 1990s, a new personnel evaluation system has been introduced, and seniority practices based on *people* are gradually changing to competency performance management based on the *duties* of each *position*. However, the ambiguity of *duties* and *positions* as a basis for personnel evaluation has created a conflict between people-based management and position-based management, which hinders improvement in working conditions and makes public service less attractive.

Chapter 18 explains the history and current situation of the uses of evaluation in Japan and points out its problems. Control of public administration became a system that uses various methods to pursue various accountabilities. New Public Management (NPM) has also influenced the system. On the other hand, the way of thinking about control by traditional laws and regulations has also continued. Therefore, a problem (“overload of accountability”) arises. This chapter also introduces the proposals that Japanese government adopted to improve evaluation.

Chapter 19 discusses about the recent change of crisis management in Japan. Japan’s crisis management objectives include major natural disasters, security, and new infectious disease outbreaks. Throughout the half century after World War II, natural disasters occurred frequently in Japan, but major crises were not faced either domestically or externally. In the 1990s, however, Japan experienced unprecedented large-scale natural disasters domestically, while internationally, North Korea and China increased their military power and threats to Japan materialized. Previously, national crisis management had not been an important issue for Japanese politics and public administration, and organizational and legal readiness were not sufficient. However, serious crises have been directly faced, and organizations and the legal system have been successively enhanced. There has also been a shift from the principle of ministries sharing the affairs to that of the Prime Minister’s initiative, whereby information is centralized in the Prime Minister’s hands, and he takes command of it.

Chapter 20 analyses the responses to the Great East Japan Earthquake and the Fukushima nuclear accident in Japan. With a magnitude of 9.0, the Great East Japan Earthquake of March 11, 2011, was the largest earthquake ever recorded in Japan. The subsequent tsunami caused extensive damage in the Tohoku region. Furthermore, the unforeseen Fukushima nuclear power plant accident was extremely devastating as well. Local governments and the central government, which had prepared

for disaster response based on their experience with previous earthquakes, responded immediately and worked quickly to restore and rebuild afterward. Reconstruction was largely completed 10 years later. However, as there was no knowledge of the nuclear accident, the response was delayed, and subsequent recovery is still in the process.

Chapter 21 examines the structure of government trust and administrative trust in Japan. First, the level of trust in government and public administration in Japan is located based on an international comparison. Second, the independent variables that determine the level of trust in government and public administration will be examined. The relationship between factors such as perceptions of policy performance, trust-building factors (professional ethics, sense of fairness, etc.), and citizen factors (social participation, media contact, life satisfaction, etc.) and trust is explored. Third, the varying degrees of trust in the state and local governments and the factors that contribute to this are reviewed.

Chapter 22 analyses recent public management reforms in Japan. From the second half of the 1990s until the beginning of the 2000s, at a timing that was approximately ten years later than that of Anglo-Saxon countries, many reforms that were influenced by New Public Management (NPM) were conducted in Japan as well. This chapter describes the characteristics of Japan's public administration by following the process by which central and local governments accepted the ideas that support NPM and the methods that have been developed by those ideas. In parallel with NPM reforms, reforms that were supported by paradigms that differed from NPM, such as the Neo-Weberian State (NWS) and New Public Governance (NPG) were also conducted. This chapter indicates that Japan's public administration is forming a hybrid governance system in which multiple reform paradigms co-exist in multiple tiers.

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Constitutional State and Public Administration

Hisashi Harada

2.1 INTRODUCTION

In the twentieth century, the constitutional state, as a norm in developed countries, came face-to-face with the reality of the administrative state. The concept of an ‘administrative state’ has been the subject of much debate, particularly in the United States. This idea was traditionally related to the rapid expansion of the executive branch in the twentieth century, in which administrative agencies exercised the power to create their own rules. However, some scholars use this concept in a value-neutral manner or in isolation from its historical context. For example, Lewis (2019) found that several measures by the Trump administration were ‘destructuring of the administrative state’. In his usage, the word simply meant the current administrative system of the United States: ‘the agencies, people, and processes of the executive establishment’.

The concept of the administrative state seems to be associated with expanding the scope of the government and increasing administrative

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resources corresponding to its broadened range. Therefore, we approach the development of the Japanese administrative state from the perspective of the extent of administrative jurisdiction and the number of administrative resources, which allows us to compare the progress of the Japanese administrative state with advancements in other industrialised countries.

A system of single-seat districts and a proportional representation system was introduced into the House of Representatives through electoral system reforms in 1994. The goal of the electoral system reform was to create a two-party system in Japan that would allow for a change in government and would not require significant campaign money (Takenaka, 2019). In addition, the cabinet system's reform and ministries' reorganisation as 'the largest administrative reorganization since World War II' took place in the late 1990s (Shiroyama, 2007). There is no doubt that this series of reforms enhanced the prime minister's leadership. Nevertheless, little research has been conducted to examine whether the prime minister's enhanced leadership has changed the Japanese administrative state.

This chapter examines the impact of a series of reforms in the 1990s on the Japanese administrative state. First, we describe the development of the Japanese administrative state based on the roles and functions of the executive branch and the resources needed to fulfil them (Sect. 2.2). Next, we show the electoral and cabinet system reforms in the 1990s, which later strengthened the Japanese prime minister's leadership. However, we conclude that even the prime minister's enhanced leadership could not significantly change the Japanese administrative state (Sect. 2.3).

2.2 THE JAPANESE ADMINISTRATIVE STATE: SCOPE AND RESOURCES

This section describes the development of the Japanese administrative state based on its scope and administrative resources. We suggest that the roles and functions of the executive branch are quite large given the number of administrative affairs under the jurisdiction of the Cabinet Office and ministries. We also attempt to understand the Japanese administrative state from the perspective of the number of resources available. Finally, we insist that the uniqueness of the Japanese administrative state lies in its limited financial and human resources, despite its broad jurisdiction.

2.2.1 *Roles and Functions of the Cabinet in the Constitution of Japan*

After World War II, the Constitution of Japan was enacted in 1946 under the influence of the General Headquarters, the Supreme Commander for the Allied Powers (GHQ/SCAP). Chapter V of the Constitution of Japan is entitled ‘Cabinet’. The main contents are the prime minister’s election, the cabinet’s formation, and its relationship with the Diet. However, little is known about the cabinet’s roles and functions. Only Article 73 states that ‘in addition to other general administrative functions’, the roles and functions of the cabinet are as below:

- administering the law
- managing foreign affairs
- concluding treaties
- administering civil services
- presenting the budget to the Diet
- enacting cabinet orders to execute the provisions of this Constitution and the law
- deciding on general amnesty, special amnesty, commutation of punishment, and so on

The other articles in Chap. V of the Constitution do not explain the meaning of ‘general administrative functions’. Using their original cross-national constitutional data, McElwain and Winker (2015) demonstrated that the Japanese Constitution’s enumeration of institutions was ‘uncommonly vague, leaving room for significant reform’. Topics that are strictly specified in other written constitutions are often not mentioned. Therefore, dealing with these topics is left to the Diet’s law-making. As ‘the highest organ of state power’ and ‘the sole law-making organ of the State’ (Article 41), the Diet can give the government almost any authority as long as it does not violate fundamental human rights that are stipulated in the Constitution (Articles 13–40). Therefore, the scope of the Japanese executive branch depends considerably on the constitutional supplement statutes, that is, acts enacted by the Diet, notwithstanding constitutional contents in substance, in which the roles and functions of the executive branch are stipulated.

2.2.2 *Three Layers of Administrative Organisation Law in Japan*

The administrative organisation law system in Japan consists of three layers: the Cabinet Act, the Act for the Establishment of the Cabinet Office or the National Government Organization Act¹ (NGOA), and the act for the establishment of each ministry (e.g. the Act for the Establishment of the Ministry of Finance).² However, as enacted in the Diet, their legal forms are the same.

The Cabinet Act, legislated in 1947, has provisions on the members and organisation of the cabinet, the roles of the prime minister and each minister, and their relation to the Diet. In addition, Article 3 of the Cabinet Act stipulates that ministers shall divide administrative affairs among themselves and be in charge of their respective shares thereof as competent ministers. However, the Cabinet Act does not have articles on which administrative affairs each ministry should take charge of.

The NGOA, located in the second layer, specifies the ministries, commissions, and agencies to be established. However, it does not state the administrative affairs of the ministries. The NGOA is the so-called standard law in Japanese law, providing only the kinds and names of administrative organisations, their secretariats, bureaus and departments, attached councils and institutions, and local branch offices, among others.

Finally, in the third layer, the act for the establishment of a ministry, we find the contents of the administrative affairs of each ministry, except the Cabinet Office. Each establishment act stipulates administrative affairs under the jurisdiction of the ministry, as well as the purpose of the act, the mission of the ministry, the chief of the ministry (minister), and his authority.

2.2.3 *Administrative Affairs Under Jurisdiction of Ministry*

Any establishment act defines the administrative affairs under the ministry's jurisdiction necessary to accomplish its missions. For instance, as of 2021, the Act for Establishment of the Ministry of Health, Labor and Welfare (MHLW) states in Article 4 that the MHLW shall take charge of 128 administrative affairs to accomplish its missions (Article 3), such as the following:

1. Planning, formulation, and implementation of comprehensive and fundamental policies concerning the social welfare system
2. Coordination with relevant ministries and agencies regarding policies to encounter the falling birth rate and ageing society

Before WWII, each ministerial ordinance that the emperor determined had similar articles on administrative affairs under the ministry's jurisdiction. However, these were more ambiguous and abstract than the current articles in each establishment act. During the post-World War II occupation, the GHQ/SCAP suggested to the Japanese government that administrative affairs should be clear and defined in detail. At that time, the GHQ/SCAP was concerned about which Japanese ministries would expand their authority and get 'almost unlimited public funds' without the clear and detailed text of the article on administrative affairs (GHQ/SCAP Records, 1948). Thus, the former establishment acts clearly and in detail stipulated administrative affairs under the jurisdiction of each ministry (Sato, 1984).

Prime Minister Hashimoto established the Administrative Reform Council in November 1996. As the chairman of this council, he drew up a concrete proposal concerning the functional enhancement of the prime minister's role and the comprehensive reform of the administrative organisation (Masujima, 2006). However, the idea of clear and detailed stipulations of administrative jurisdiction in establishment acts remained largely unchallenged. In line with the council's proposal, the prime minister's office, 12 ministries, and 10 agencies were reorganised into the Cabinet Office and 10 ministries³ in 2001, and the new establishment acts for the Cabinet Office and ministries came into effect. At that time, the total number of administrative affairs under the 11 administrative organisations was 858. As of 2021, the total number had increased to 935. The number of administrative affairs is shown in Fig. 2.1.

We cannot easily compare the roles and functions of the Japanese executive branch with those of other developed countries because of the lack of corresponding data from different countries. Nonetheless, the number of administrative affairs in the Cabinet Office and the 11 ministries suggests that the jurisdiction of the Japanese executive branch is quite wide.

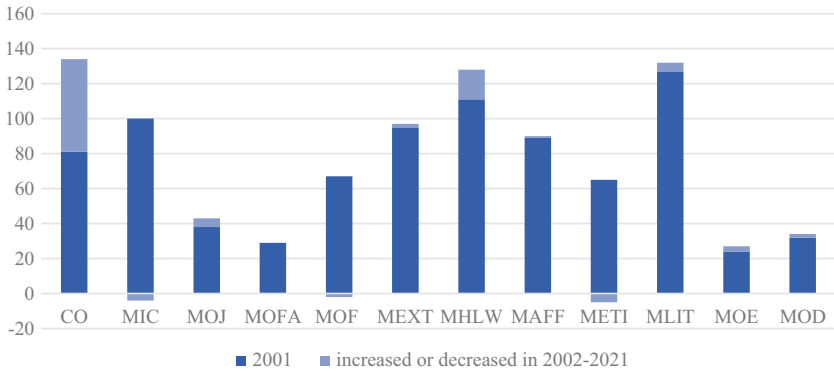


Fig. 2.1 Administrative affairs under the jurisdiction of the Cabinet Office and 11 Ministries in 2001 and 2021 (CO: Cabinet Office, MIC: Ministry of Internal Affairs and Communications, MOJ: Ministry of Justice, MOFA: Ministry of Foreign Affairs, MOF: Ministry of Finance, MEXT: Ministry of Education, Culture, Sports, Science and Technology, MHLW: Ministry of Health, Labor and Welfare, MAFF: Ministry of Agriculture, Forestry and Fisheries, METI: Ministry of Economy, Trade and Industry, MLIT: Ministry of Land, Infrastructure, Transport and Tourism, MOE: Ministry of the Environment, MOD: Ministry of Defense). (Source: Author)

2.2.4 *Administrative State with ‘Wide Jurisdiction and Few Resources’*

Another approach to the development of the Japanese administrative state is to focus on increasing or decreasing administrative resources. Hood and Margetts (2007) classify the ‘government’s basic resources’ as the following four:

- Nodality (collecting and sending information)
- Authority (legal or official power)
- Treasure (money)
- Organisation (personnel with skill)

Among these four resources, financial and human resources can be quantitatively grasped, and we focus on these two in the following section. As discussed above, the roles and functions of the executive branch in Japan are quite large, given the number of administrative affairs under the

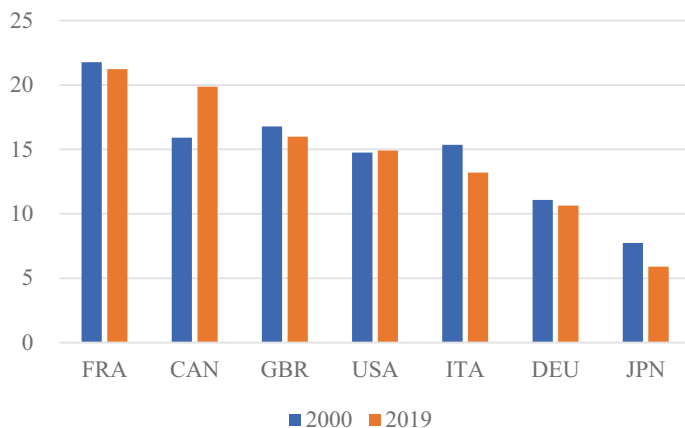


Fig. 2.2 Employment in general government as a percentage of total employment in the G7 states. (Source: Website of OECD *Governance at a Glance* 2011/2021 (<https://doi.org/10.1787/888934257337>; <https://doi.org/10.1787/888932390538> (retrieved 31 March 2022)))

jurisdiction of the Cabinet Office and ministries. Accordingly, the Japanese executive branch should have sufficient administrative resources to match the scope of its jurisdiction. However, the Japanese executive branch does not have administrative resources commensurate with its extensive jurisdiction. As of 2000, the number of public employees as a percentage of total employment in the Japanese general government was the smallest among the Group of Seven (G7) states (Fig. 2.2).⁴ Moreover, the Japanese general government expenditure as a percentage of GDP was the smallest, along with that of the United States (Fig. 2.3).

The Japanese prime minister's leadership was still weak when Muramatsu (1999) argued about the imbalance between 'extensive jurisdiction and few resources' in the Japanese executive branch. Therefore, he proposed strengthening the prime minister's leadership as one possible way to reform the Japanese administrative state. In the next section, we discuss the extent to which the Japanese prime minister's leadership was reinforced and whether the strengthened leadership changed the Japanese administrative state.

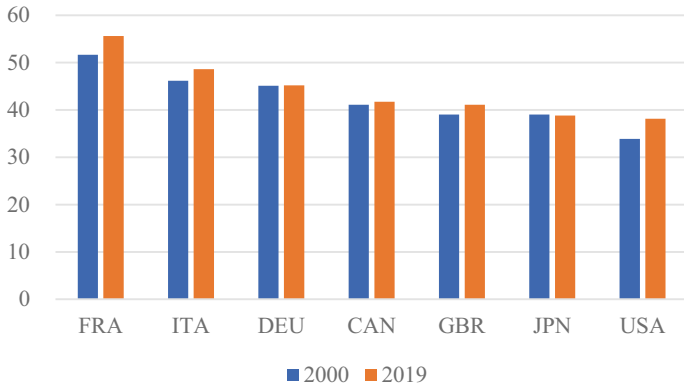


Fig. 2.3 General government expenditures as a percentage of GDP in the G7 states. (Source: Website of OECD *Governance at a Glance 2011/2021* (<https://doi.org/10.1787/888934257033>; <https://doi.org/10.1787/888932389873> (retrieved 31 March 2022)))

2.3 STRENGTHENING THE LEADERSHIP OF THE JAPANESE PRIME MINISTER AND ITS EFFECT

In this section, using delegation theory, we describe the characteristics of the Japanese executive government as a parliamentary cabinet system. We then show that the electoral and cabinet system reforms in the 1990s transformed the Japanese prime minister's leadership from weak to strong. Finally, we conclude that even the Japanese prime minister's enhanced leadership did not fundamentally change the Japanese administrative state.

2.3.1 Japanese Prime Minister's Leadership in the Parliamentary Government System

The Constitution of Japan has adopted a parliamentary government system. The prime minister shall be designated from among the members of the Diet by a resolution of the Diet (Article 67). The prime minister appoints the ministers of state. However, most of these numbers must be chosen from among the members of the Diet (Article 68). In exercising executive power, the cabinet shall be collectively responsible to the Diet (Article 66).

In comparative politics, the prime minister in a parliamentary government system is generally considered to exercise stronger leadership than the

president in the presidential system because the prime minister usually relies on the confidence of the parliamentary majority. However, the Constitution of Japan does not sufficiently express the strength of the leadership that the prime minister can exert. The kind of leadership that the prime minister can provide largely depends on the constitutional supplement statutes mentioned above. Hence, this section investigates which constitutional supplement statutes strengthen the Japanese prime minister's leadership.

2.3.2 *Two Principal-Agent Relationships*

To simplify, the leadership of the prime minister in the parliamentary government system can be viewed in terms of two principal-agent relationships:

- relationship between the Diet (ruling party) and the prime minister
- relationship between the prime minister and minister (ministry) inside the executive branch

The Diet (ruling party), entrusted power by the people, delegates policy development to the prime minister through election. The prime minister delegates programme formation and implementation to ministers (ministries) through their appointment. In the 'chain of delegation' (Strøm, 2000), the prime minister plays two roles: agent and principal. As an agent, the prime minister wants to be autonomous, free of control by the Diet (ruling party). Simultaneously, as the principal, the prime minister wants to watch and control the delegation-avoidance behaviour of the minister (ministry). When delegating to the minister (ministry) is ineffective, the prime minister withdraws the delegation and formulates a programme alone.

It follows that the prime minister can assume the leadership role as an autonomous agent of the Diet (ruling party) and a principal for the ministers (ministries). Thus, we may consider the prime minister's leadership as the party leader in the ruling party and his leadership in the executive branch.

2.3.3 *Autonomy from Ruling Party*

To exert leadership in the Diet (ruling party), the prime minister must have sufficient discretion to select election candidates and allocate funds for the election. This discretion was expanded by amendments to the

Public Offices Election Act (POEA) and the Political Party Subsidies Act (PPSA) enacted in 1994.

In the former POEA, the so-called Medium-sized District System was adopted for House of Representatives elections. Under this system, three to five members of the House of Representatives were elected from a district. To win a majority of seats in a House of Representatives election, the Liberal Democratic Party of Japan (LDP)⁵ had to put up at least two candidates in each constituency, making who would be elected more important than who would become the prime minister after the election. In addition, factions in the LDP supported candidates' campaign expenses. Successful candidates worked after the election for their factions and not for the prime minister as the leader of the ruling party. Accordingly, the LDP's decentralised party structure weakened the prime minister's leadership.

However, in 1994, a system of single-seat districts plus a proportional representation system was introduced in the House of Representatives due to electoral system reforms. Under the new electoral system, the role of the prime minister as the leader of the ruling party became more critical because the LDP headquarters under the prime minister's control began to choose a campaign candidate for the next election. Additionally, political party subsidies were provided to each political party based on the PPSA. The amount of subsidy was determined by the number of Diet members belonging to the party, the number of votes received in the last election for members of the House of Representatives, and the latest and previous elections for members of the House of Councillors. The use of subsidies is not limited by the freedom of activity of political parties. Related to this reform, the amendment to the Political Funds Control Act in 1994 restricted donations to individual politicians. The LDP headquarters had the authority to allocate subsidies as campaign funds to Diet members, and the role of the factions gradually diminished. Consequently, the party structure of the LDP became more centralised than before, and the prime minister as the agent gained more autonomy from the ruling party.

2.3.4 Prime Minister's Control of Executive Personnel Promotion

According to Article 55 of the National Public Service Act (NPSA), the authority to appoint and dismiss civil servants in ministries belongs to the corresponding minister except when otherwise provided for by law. Senior civil servants in ministries used the clause as a shield to eliminate personnel

intervention by the prime minister. The prime minister, as the principal, did not have enough means to control the delegation-avoidance behaviour of executive public officers. Thus, previous prime ministers sought to change the rules of the principal–agent game.

The Cabinet Personnel Review Council, organised by the Chief Cabinet Secretary, was established in 1997 to check the promotion of senior civil servants in various ministries, which corresponds to Hashimoto’s administrative reform described above. The personnel review covered approximately 200 senior civil servants at the director-general level and above in the Cabinet Office and ministries. However, there was consensus among all council members that arbitrary promotions of senior civil servants were not preferable.

Prime Minister Abe took drastic measures to centralise executive civil servants’ personnel affairs by revising the NPSA in 2014. The prime minister can examine whether candidates for the positions of deputy director-general and above—the number of candidates is approximately 700—possess sufficient ability to perform standard duties for the relevant post. The Cabinet Bureau of Personnel Affairs (CBPA) was established in the Cabinet Secretariat to support this personnel function by the prime minister. Each minister can appoint persons based on the candidate list drawn up by the CBPA. Before appointment, the minister must consult with the prime minister and the chief cabinet secretary (Inatsugu, 2020).

2.3.5 *Using the Cabinet Secretariat as a Programme Development Unit*

When the delegation to the minister (ministry) is ineffective, the prime minister withdraws the delegation and seeks to formulate a programme using staff organisations directly supporting the prime minister. In Japan, the equivalent supporting organisation is the Cabinet Secretariat (Article 12 of the Cabinet Act). The size of organisations has been relatively small in the past.

However, the authority of the Cabinet Secretariat was institutionally strengthened by the 1999 revision of the Cabinet Act, in line with Hashimoto’s administrative reform. The revised Article 4 makes it explicit that the prime minister may propose fundamental principles concerning the essential policies of the cabinet and other related items at the cabinet meeting. Based on this article, the Cabinet Secretariat was given the affairs

to plan and draft the fundamental principles concerning the essential policies of the cabinet and to coordinate with related ministries.

As a result, the Cabinet Secretariat has submitted approximately 10% of the total number of government bills to the Diet in the past ten years (Fig. 2.4). Regarding the percentage, the Cabinet Secretariat can be considered the 12th ‘ministry’ that develops programmes for the prime minister on behalf of existing ministries. Thus, after the electoral and cabinet system reforms in the 1990s, Japanese prime ministers like to develop programmes by themselves rather than delegating them to ministries.⁶

In summary, the Japanese prime minister could exercise further leadership through electoral and cabinet system reforms in the 1990s. Some prime ministers, such as Koizumi and Abe, have demonstrated strong leadership. This was a substantial constitutional reform without an amendment to the current constitution.

2.3.6 *Transition to the Westminster Model or New Kantei Government System?*

The strengthening of the prime minister’s leadership and the declining role of the ruling party and ministries in policymaking appear to justify the argument that the Japanese parliamentary cabinet system is becoming a Westminster-style parliamentary cabinet system. One of the characteristics of the Westminster model in the United Kingdom or New Zealand is ‘cabinet dominance’ over parliament, which is based on ‘the disciplined

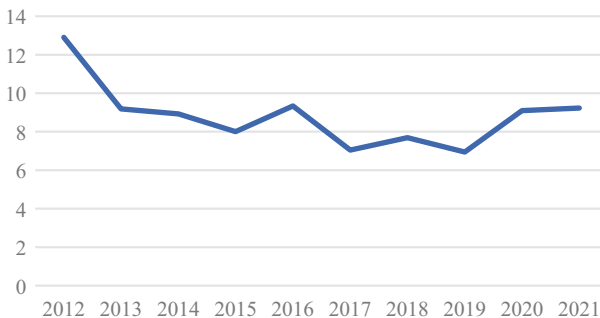


Fig. 2.4 Number of bills submitted to the Diet by the Cabinet Secretariat from 2012 to 2021. (Source: Website of the Cabinet Legislation Bureau of Japan (<https://www.clb.go.jp/recent-laws/> (retrieved on 31 March 2022)))

two-party system' (Lijphart, 2012). However, the critical difference between the parliamentary cabinet system in contemporary Japan and the typical Westminster model is that instead of the cabinet, an informal core executive or *Kantei* is critically involved in the policymaking process. Although the word 'Kantei' originally meant the prime minister's office or building, the term is now also used in academia as an informal core executive that consists of the prime minister, chief cabinet secretaries, deputy chief cabinet secretaries, and a small group of (former) senior officials who directly assist them. The Kantei is 'a new and powerful executive layer of government to which all rival political centers (ruling party, bureaucracy, and the cabinet) are subordinate' (Mulgan, 2018).

2.3.7 *Impact of the Prime Minister's Enhanced Leadership on the Japanese Administrative State*

In conclusion, we investigate whether the prime minister's enhanced leadership changed the Japanese administrative state. First, we discussed the change in the scope of jurisdiction under the Cabinet Office and ministries after the electoral and cabinet system reforms of the 1990s. As of 2021, about 77 administrative affairs, compared to 2001, were added to administrative organisations (Fig. 2.1). The increase in administrative affairs was remarkable under the Act for the Establishment of the Cabinet Office. This relates to the fact that the prime minister seeks to formulate programmes autonomously using the Cabinet Secretariat's staff, and not by delegating them to the ministries.⁷ In short, the role and function of the Japanese executive branch continued to steadily increase after a series of reforms in the 1990s.

Next, we described the changes in administrative resources after a series of reforms. As Fig. 2.2 indicates, the number of human resources declined by another 2% in the past 18 years. Moreover, Japanese general government expenditure as a percentage of GDP, along with that of the United States, has declined further in the past 18 years (Fig. 2.3). Among the G7 states, Japan was the only one to see a decrease in the value of these two administrative resources.

As seen, strengthening the prime minister's leadership in the 1990s did not fundamentally change the character of the Japanese-style administrative state. This characteristic was enhanced in the 2000s.

'Wide jurisdiction' and 'few resources' in the executive branch are inherently in opposition. Thus, Japanese administrative organisations tried

to compensate for the lack of resources by maximising the use of existing administrative resources (e.g. overtime work of government officials) and delegating programme implementation to local governments, businesses (Agata, 2013), and the third sector (Oyama, 2003). Local governments in Japan are in charge of almost all policy implementations except defence and pension policies. They also share the financial burden with the central government.

Even if the Japanese-style administrative state somehow functions under normal circumstances, it quickly becomes dysfunctional in emergencies such as the Covid-19 pandemic in 2020. This is a serious problem that the Japanese administrative state faces.

2.4 CONCLUSION: COVID-19 PANDEMIC AND JAPANESE ADMINISTRATIVE STATE

The development of the Japanese administrative state is understood in terms of the large roles and functions of the executive branch and the limited administrative resources available to fulfil its roles and functions. The electoral and cabinet system reforms in the 1990s strengthened the Japanese prime minister's leadership, which was a substantial constitutional reform. In conclusion, it was found that even the prime minister's enhanced leadership through the reforms could not significantly change the Japanese administrative state. Despite its preliminary character, this research offered some insight into the robustness of the Japanese administrative state with its 'wide jurisdiction and few resources'.

The Covid-19 pandemic illustrated how the Japanese government with its 'wide jurisdiction and few resources' struggled to overcome the situation. For example, public hospitals treating critically ill patients were in short supply, public health centres centrally managing infected patients were often paralysed, and the distribution of masks to the public was delayed. In the Japanese-style administrative state, it was thought that resource redundancy would hinder Japanese administrative efficiency and, consequently, Japan's economic and social development. The Covid-19 pandemic has clarified that the Japanese-style administrative state does not function adequately under all circumstances.

Nevertheless, the Japanese administrative state seems to have changed in recent years. For instance, the total number of staff members in the national civil service began to increase after 2018 for the first time in nearly

40 years. Additionally, the Japanese government has gradually increased its consumption tax rate from 5% to 10%. As a result, national tax revenues in 2021 were at a record high (approximately 6.7 billion yen), mainly because of the impact of the consumption tax reform. Why this change occurred so late requires further study.

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NOTES

1. The NGOA does not apply to the Cabinet Office.
2. Exceptionally, a few of the commissions (independent organ of the Cabinet Office and ministries, e.g. Fair Trade Commission) are established by an act that does not have the name ‘Act for the Establishment’.
3. The Defense Agency was upgraded to the Ministry of Defense in 2007.
4. Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.
5. The LDP was in power consistently from 1955 to 1993.
6. A series of reforms did not perfectly eliminate ministerial power or rivalry among the ministries because many (former) senior officials in the prime minister’s office came from influential ministries (Vogel, 2021; e.g. MOF, METI, MOFA, and National Police Agency).
7. Besides the Cabinet Secretariat, the Cabinet Office can also support the leadership of the prime minister. For example, the Cabinet Office has five ‘councils on important policies of the Cabinet’ (Article 18 of the Act for the Establishment of the Cabinet Office). In the past, Prime Minister Koizumi utilised the Council on Economic and Fiscal Policy to set fundamental policies for his cabinet while eliminating influences from the LDP and ministries. However, the Cabinet Office is now in charge of too many administrative affairs, and its organisational enormity and complexity do not contribute to exercising the prime minister’s leadership.

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Central and Local Government Relations

Masatsugu Ito

3.1 INTRODUCTION

The aim of this chapter is to clarify the characteristics of the relationship between the central and local governments in Japan in the context of international comparisons and historical developments as well as to provide an overview of the impact of decentralization reforms that have been taking place since the 1990s and a perspective on the future.

The modern system of local governments in Japan comprises two tiers of local government: municipalities as basic local governmental units and prefectures as wide-area local governmental units.¹ This two-tier system has been maintained for about a century since the 1921 abolition of counties that encompassed municipalities.

In this way, Japan as a unitary state applies a uniform two-tier system to the entire country. At the same time, there is a special system that is applied to metropolitan areas that are home to large concentrations of population. This special system for metropolitan areas encompasses a system that is based on two different ideas that emerged due to historical reasons.

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First, the system is one that is based on the notion of transferring some of the authority vested in prefectural governments to the local autonomous bodies (local governments) of large cities to give these local autonomous bodies greater authority than other municipalities. The current Local Autonomy Act sets forth a system of government ordinance-designated cities and core cities. Authority over administrative affairs related to child welfare, urban planning, environmental preservation, and more is transferred from the prefectural government to each government ordinance-designated city with a population of at least 500,000 people designated by a Cabinet order. In addition, while authority over administrative affairs related to health, sanitation, urban planning, and more is transferred from the prefectural government to each core city designated by a Cabinet order with a population of at least 200,000 people, the scope of this authority is more narrowly set than it is for government ordinance-designated cities. Twenty cities have been designated as government ordinance-designated cities while sixty-two cities, including prefectural capitals and cities located in metropolitan areas, have been designated as core cities (as of April 1, 2024).

Second, and in contrast, the metropolitan government system is a special system for the centralized management of metropolitan areas by a wide-area local autonomous body. Constituting a wide-area local autonomous body, a metropolitan government has special wards, which are basic local autonomous bodies. In areas where special wards are located, the metropolitan government is centrally in charge of firefighting, water supply, sewage treatment, transportation, and other such functions. The metropolitan government system can be traced to the establishment of the Tokyo Metropolitan Government in 1943 during the Second World War when the dual system consisting of the city of Tokyo and Tokyo Prefecture was overcome by combining these two entities in order to build a system for defending the capital. The metropolitan government system applies only to Tokyo and functions as a *de facto* system for the capital.

How can we characterize the relationship between the central and local governments in Japan, which are predicated on the existence of two-tier local governments and which include this special system for metropolitan areas? In order to clarify the characteristics of the relationship between the central and local governments of Japan in the context of international comparisons and historical development in this chapter, the author has set forth the following two perspectives.

The first is a multifaceted perspective on the relationship between the central and local governments. In general, the relationship between the central and local governments can be seen through the lenses of centralization and decentralization, but what this specifically means is ambiguous. Tulia G. Falleti compared the decentralization of power in various Latin American countries with respect to three aspects: administrative decentralization, fiscal decentralization, and political decentralization. Administrative decentralization refers to policies to transfer distributive authority related to education, welfare, housing, and other social services to local governments. Fiscal decentralization means policies to increase the revenue or fiscal authority of local governments. Political decentralization refers to electoral reforms and constitutional amendments that increase the political authority of local governmental entities and establish or expand the representative nature of local political entities (Falleti, 2010, pp. 33–39).

The second is a perspective that regards the relationship between the central and local governments through not just the lenses of centralization and decentralization but also the lenses of interfusion and separation. AMAKAWA Akira, who studied the reformation of Japan's local government system both after the Second World War and during the Occupation period, set forth the lenses of interfusion and separation from the perspective of the extent to which the central and local governments are able to play a part in providing administrative services at a local level (Amakawa, 1981).

Interfusion refers to circumstances wherein local governments are comprehensively responsible for the provision of administrative services at a local level, while the central government is able to be broadly involved in the execution of affairs by local governments. In general, with an inter-fused relationship between the central and local governments, the authority of local governments is explained with generalized examples, the role of local offices of the central government is limited, and local governments delegated by the central government provide a wide range of services. However, the central government is typically involved in matters related to standards and methods for the execution of affairs by local governments.

In contrast, separation refers to circumstances wherein there is a clear division of the roles and authority of the central and local governments with respect to the provision of administrative services. With a separation-type relationship between the central and local governments, local governments can only exercise authority as concerns matters for which authority

has been enumerated. Matters coming within the jurisdiction of the central government, even if they concern local administrative services, are carried out through local offices of the central government.

In general, interfusion applies to the relationship between the central and local governments throughout continental Europe while separation applies in Anglo-Saxon countries (Nishio, 2007). Given that Japan largely modernized by applying the German model of governance, the relationship between the central and local governments in this country is characterized by interfusion.

In this chapter, the historical development of the relationship between the central and local governments in Japan will be analyzed with respect to three aspects – public administration, finance, and politics – and how the relationship between the central and local governments in Japan, with its interfused character, came to be formed.

3.2 HISTORICAL CONSTRUCTION OF CENTRAL AND LOCAL GOVERNMENT RELATIONS IN MODERN JAPAN

3.2.1 *Construction of Modern State and Local Government Systems*

In Japan during the period extending from the seventeenth century to the middle of the nineteenth century, matters not coming under the direct control of the ruling Tokugawa family were governed with relative autonomy by each clan. However, the Tokugawa government came to be dissolved upon contact with Western nations. As the task of building a modern state came to be set with the Meiji Restoration (1868), the relationship between the central and local governments underwent fundamental changes.

In 1871, the Meiji government dissolved the clans that had existed until then and replaced them with new prefectural governments and appointed bureaucrats dispatched by the state as prefectural governors to thereby set up a centralized system of government. In 1888, a system in which municipalities, as basic local bodies, are placed in charge of education, tax collection, family registers, and other affairs required for the building of a modern state was developed. In addition, regulations governing prefectures and counties were put in place in 1890.

The local system that was developed during the Meiji Period had the following characteristics as seen with respect to the aspects of public administration, finance, and politics.

First, an interfused relationship between the central and local governments was established in terms of public administration. Since prefectural governors and head county officials were officials dispatched by the Home Ministry, prefectures and counties possessed a strong character as local general offices of the national government. On the other hand, municipalities were granted a certain degree of autonomy. For this reason, the government of the time adopted an agency-delegated function system under which mayors were regarded as subordinate organs of the state and made to execute affairs of the state accordingly in order to ensure that these affairs were executed at the local level. Conversely, the state positioned municipalities as comprehensive administrative entities that execute affairs of the state in addition to their own affairs. By establishing an interfused relationship between the central and local governments, the government established a system to ensure the implementation of state policy and public administration at a local level.

Second, the financial independence of local governments was restricted under the local system established during the Meiji Period. With prefectural taxation being legalized in 1878 and municipal taxation being legalized in 1888, prefectures and municipalities came to be entitled to levy and collect local taxes. However, most local taxes were surtaxes on national taxes and other such levies. On the other hand, costs related to compulsory education and other matters became a burden for smaller municipalities, such that the guaranteeing of financial resources appropriate for the delivery of administrative services in local areas became a challenge.

Third, elements of political decentralization were also recognized, albeit to a limited extent, under the local system established during the Meiji Period. Both prefectures and municipalities established their own assemblies. While the right to vote for the members of prefectural and municipal assemblies was limited in the beginning to men who had paid at least a certain amount of tax, the restriction based on the amount of tax paid was lifted in 1926. In addition, a system under which municipal assemblies elect mayors came to be established in 1926.

3.2.2 *Progress of “Functional Centralization”*

Thus, from the end of the nineteenth century to the beginning of the twentieth century, Japan came to establish a centralized local system especially in the aspects of public administration and finance in order to promote modernization. However, the relationship between the central and local governments changed as urbanization and industrialization took hold from the 1930s onward and as the country placed itself on a war footing from the 1940s onward.

First, in the area of public administration, the expansion and specialization of individual administrative functions caused ministries to establish and expand local offices, as a result of which the interfused character of the system became relatively weakened. The expansion of the functions of public administration in the area of rural public works and functions of sanitation and social administration as well as the increasing tendency of ministries to establish their own local offices upset the system under which the affairs of the central government and the affairs of the local government were implemented on an interfused basis through the channel of prefectures to municipalities.

Second, in the area of finance, a financial adjustment system was developed, and the link between central government finances and local government finances was strengthened. Beginning in the 1930s, the impact of the Great Depression plunged rural areas in Japan into hard times and placed the finances of towns and villages in dire straits. Thus, the amount of state subsidies allocated to local governments by individual ministries of the central government went up, and the introduction of a financial adjustment system to allocate a portion of national taxes according to the fiscal strength of local governments was studied. Consequently, a system for carrying out a partial tax transfer to local governments was established in 1940.

Third, political centralization occurred under the wartime regime. In 1943, the prefectural and municipal systems were amended, such that mayors of cities came to be appointed by the Home Ministry on the recommendation of the municipal assembly of each city, and mayors of towns and villages came to be elected by the municipal assembly of each town or village, subject to approval by the prefectural governor. With the abolition of the City of Tokyo under the Tokyo metropolitan government system that was enacted in the same year, the municipal assembly of the City of Tokyo was abolished, thereby setting back democracy in the capital.

These changes to the relationship between the central and local governments from the 1930s onward are known as *functional centralization* (Ichikawa, 2012). Accompanied by an expansion of the government's administrative and fiscal functions and a tightening of the relationship between the central and local governments, functional centralization formed a basis for the transition of Japan to a welfare state in the years following the Second World War. At the same time, institutional decentralization with respect to the aspects of public administration, finance, and politics was spearheaded by the General Headquarters for the Allied Forces (GHQ) in Japan after Japan was defeated in the Second World War. The relationship between the central and local governments in postwar Japan can be seen in terms of both functional centralization and institutional decentralization.

3.3 CONTINUITY AND CHANGE IN CENTRAL AND LOCAL GOVERNMENT RELATIONS IN POSTWAR JAPAN

3.3.1 *Decentralization in Occupied Japan*

After the Second World War, the relationship between the central and local governments changed substantially amid the democratization of Japan by the GHQ, which was in charge of the occupation of the country.

First, political decentralization progressed significantly. New provisions governing local autonomy were included in the Constitution of Japan, which came into force in 1947. Whereas prewar laws concerning the local system of government stipulated local entities on an individual basis, the Local Autonomy Act was likewise enacted in 1947 as a uniform code providing for local autonomy. The reformation of the local system as spearheaded by the GHQ led to the introduction of a system under which residents directly and publicly elect prefectural governors and municipal mayors as well as the recognition of women's suffrage in elections of the heads of local governments and members of local assemblies.

Second, administrative decentralization proceeded apace, and the authority of local governments was fortified. In particular, municipalities came to be the primary entities behind the establishment of junior high schools as an element of compulsory education under the Occupation-era reforms that were undertaken, and their authority was expanded as they took on affairs related to social welfare, health, and sanitation. In addition,

the Home Ministry, which had been in charge of controlling the thoughts of the people prior to the war, was dismantled at the behest of the GHQ in 1947, such that there was no ministry exercising overall control over local governments until 1960, when the Ministry of Home Affairs was established.²

Third, the authority of local autonomous bodies in fiscal matters was also fortified. The Local Tax Act was enacted in 1950, which abolished surtaxes on national taxes and expanded local tax revenues.

3.3.2 *Sustaining an Interfused Relationship Between Central and Local Governments*

Institutional reforms carried out thusly between the latter half of the 1940s and the first half of the 1950s helped promote local decentralization in Japan. If anything, however, decentralization accompanying the postwar reformation of the local system of government tended to work to strengthen the interfused character of the relationship between the central and local governments that had been in place since the Meiji Period.

First, as a paradoxical consequence of the decentralization of politics to the prefectures, prefectural governors came to be subject to the command and supervision of central government ministries through the system of agency-delegated functions. As mentioned earlier, prewar governors were state officials dispatched by the Home Ministry and subject to the command and supervision of the national government. However, governors in postwar Japan came to be publicly elected, and prefectures managed to acquire a character as local governments constituted by the political representatives of the people. Fearing that publicly elected governors would no longer comply with instructions issued by the central government, ministries indicated that they felt a sense of mistrust in these publicly elected governors. In this connection, the prewar system of agency-delegated functions under which mayors were seen as subordinate organs of the state and made to execute affairs of the state accordingly was expanded in its application to prefectural governors to ensure the execution of the affairs of the state by prefectures.

Second, administrative decentralization targeting municipalities acted in line with the strengthening of the role of municipalities as general administrative entities for a region. As has already been mentioned, the authority of municipalities over social welfare, health, sanitation, and education was reinforced due to Occupation-era reforms. However, the

number of municipalities during the 1940s rose to approximately 10,000, and it became difficult for smaller towns and villages to efficiently carry out the administrative tasks they were newly empowered to perform. In this connection, large-scale municipal mergers took place in the 1950s to increase the size of municipal populations and expand their administrative underpinnings.³ These major mergers of the Showa Period reduced the number of municipalities from approximately 10,000 to around 3500.⁴ At the same time, municipalities obtained a basis as entities capable of comprehensively providing social services. Consequently, the relationship between the central and local governments in Japan came to maintain an interfused character.

Third, in addition, fiscal decentralization also helped maintain the interfused relationship between the central and local governments. Despite an expansion of local taxes after the war, municipalities were not granted sufficient financial resources that could be considered consistent with their authority. For this reason, municipal finances were strained in the 1950s. In connection with this, the Act on National Treasury's Sharing of Compulsory Education Expenses was enacted in 1952 to develop contributions by the national treasury for compulsory education. The Local Allocation Tax Act was enacted in 1954 to stabilize financial coordination between the central and local governments. In these ways, the development of systems to guarantee the financial resources of local governments strengthened the financial basis of municipalities in particular.

Thus, the decentralization of power that occurred during the Occupation further strengthened the interfused character of the relationship between the central and local governments in Japan. On the other hand, amid increased demand for social services and an expansion of the administrative functions of both the central and local governments after the Second World War, the trend toward functional centralization that began in the 1930s persisted. In postwar Japan, however, the system of agency-delegated functions was also extended to prefectures, while the administrative and fiscal infrastructure of municipalities was upgraded through municipal mergers and the development of a financial adjustment system, such that an interfused relationship between the central and local governments through which local governments are comprehensively responsible for delivering local social services under the supervision of the central government was maintained rather than a separate relationship through which ministries of the central government provide services by setting up local offices for each type of social service.

3.3.3 *Central and Local Government Relations Under the Rule of the LDP Government*

The postwar relationship in Japan between the central and local governments remained stable under the longtime rule of the Liberal Democratic Party (LDP) between 1955 and 1993. The LDP government, which achieved high levels of economic growth that began in the 1960s, proactively promoted regional development in accordance with the idea of undertaking the *balanced development of national land*. Local governments also demanded the development of infrastructure based on a national land plan spearheaded by the central government and mobilized locally elected Diet members to lobby offices in charge of public works in order to obtain subsidies for public works. Under the long-term rule of the LDP, local governments pursued public works and regional development through political channels linking the central government and local governments and often engaged in fierce political competition to attract projects and obtain subsidies in a way that resembled the clientelism that can be observed in Italy and other southern European countries (Tarrow, 1977; Calder, 1988; Muramatsu, 1997).

From the latter half of the 1960s to the 1970s, the problem of pollution garnered attention as a negative aspect of economic growth in Japan, and governors and mayors who were supported by the Socialist Party and Communist Party were elected to form local governments in such metropolitan areas as Tokyo, Osaka, and Yokohama. These progressive local governments opposed the conservative rule of the central government and developed policies that emphasized the environment and welfare. As Japan entered a period of lower economic growth from the end of the 1970s, however, these governments were criticized for increasing the budget deficits of local governments and went on the decline.

Thus, while political dynamism in the form of opposition to the central government by prefectural governors and municipal mayors who came to be publicly elected as a result of the political decentralization that had been achieved during the Occupation era was observed during the 1970s, the interfused relationship between the central and local governments remained stable under the long-term rule of the LDP. Local governments attended to their own administrative duties as well as to agency-delegated functions under the direction and supervision of the central government on the assumption that financial resources were guaranteed by local allocation taxes and subsidies from the national coffers.

With respect to this relationship between the central and local governments under the rule of the LDP, it is recognized that local governments were given the latitude to exercise policy discretion and that the system was not always centralized (Reed, 1986). In addition, as mentioned earlier, it is a fact that competition arose between local governments to attract projects and obtain subsidies. However, the general framework of the administrative and fiscal systems governing the relationship between the central and local governments did not change throughout the LDP's long-term rule. In addition, a system of government ordinance-designated cities was set up as a special exemption for large cities in 1956. Although the number of government ordinance-designated cities increased throughout the postwar years, the two-tier prefectural-municipal system itself was maintained.

3.4 DECENTRALIZATION REFORM AND CENTRAL AND LOCAL GOVERNMENT RELATIONS

3.4.1 *Decentralization Reform Since the 1990s*

The stable relationship between the central and local governments that lasted until the 1980s underwent significant changes beginning in the 1990s when the period of LDP rule came to an end. With a falling birth-rate and aging society and the rise of globalization in the late 1980s, the belief that local governments should attempt to deal with local issues in accordance with local circumstances rather than have a uniform national response applied became the prevailing view in society. In addition, as administrative reforms were being advanced at the national level to deal with budget deficits from the 1980s onward, the idea of promoting the streamlining of the central government through decentralization alongside deregulation was put forth. Moreover, as part of the process leading up to the change of government that took place in July 1993 after revelations of collusion and scandals involving bureaucrats and politicians emerged at the beginning of the 1990s, it was argued that making a break with the profit-driven politics that was allowed to operate under LDP rule required, in addition to such political reforms as electoral reform and reform of the political funding system, a way to limit the powers of the central government through decentralization reform.

As a result, decentralization reform has been ongoing in Japan since the late 1990s. First, decentralization reform consisting of the abolition of the system of agency-delegated functions, the stipulation of rules governing the involvement of the central government in local government, and the establishment of a system for the handling of disputes between the central government and local governments was carried out based on the Act on the Promotion of Decentralization, which was enacted in 1995. Under this initial wave of decentralization reform, amendments were made to the Local Autonomy Act and other relevant pieces of legislation in order to ban the arbitrary involvement of the central government in local government and expand the freedom of local governments to make their own decisions.

Second, in addition to such examples of administrative decentralization, local tax and fiscal reforms to expand the independent financial resources of local governments and mergers of municipalities to strengthen the administrative and fiscal infrastructure of municipalities in response to decentralization were promoted at the beginning of the 2000s. Specifically, under the Cabinet of Prime Minister Junichiro Koizumi, a three-part reform package calling for a transfer of tax resources from the central government to local governments, a reduction of state subsidies, and a review of the local allocation tax was implemented. In addition, the great municipal mergers of the Heisei Period were undertaken to accommodate the promotion of decentralization, and attempts were made to expand the administrative and fiscal infrastructure of municipalities.⁵

Third, a second wave of decentralization reform was promoted from the late 2000s onward and involved a review of the involvement of the central government in local government and the transfer of authority by the central government to local governments. When local governments conduct their affairs, central government ministries sometime mandate methods and criteria for the execution of these affairs in laws and regulations. Under the second wave of decentralization reform, the imposition of mandates and frameworks by the central government in this manner was abolished or relaxed, and authority was transferred from the central government to prefectures and from prefectures to municipalities.

Thus, significant progress has been made in efforts to both administratively and financially decentralize Japan since the 1990s. When it comes to political decentralization, no major institutional reforms have been carried out,⁶ but it is believed that the political influence wielded by the heads of local governments, especially prefectural governors, has increased due to decentralization reform (Hijino, 2018).

3.4.2 *Characteristics of Central and Local Government Relations in Japan*

Decentralization reform changed the relationship between the central and local governments in Japan, but it also retained the following interfused characteristics.

First, decentralization led to the abolishment of the system of agency-delegated functions and a review of the involvement of the central government in local government, but the structure by which the policies of the state are implemented through prefectures and municipalities has been maintained. If we examine the administrative activities of the central and local governments in Japan in terms of net expenditures by purpose, we see that the areas in which local governments are not involved are limited to pensions and defense, and that local governments pay for a substantial portion of the costs of social services including school education, public welfare, and sanitation (Fig. 3.1). Administrative activities carried out by local governments in Japan encompass an exceptionally wide range of areas, such that the interfused relationship between the central and local governments is being maintained.

Second, large-scale fiscal transfers from the central government to local governments have occurred in Japan in order to guarantee financial resources to support such local government activities. Compared to OECD countries, the share of tax revenue accounted for by the central government is relatively low at 38.3% as of 2021, but the share of government spending accounted for by the central government is the lowest at 16.4%. Nevertheless, whereas the central government accounts for a greater percentage of revenue than local governments (24.3%), the opposite is true of spending, as local governments account for 36.3% of total government expenditure (Figs. 3.2 and 3.3). In Japan, national taxes are higher than local taxes at the tax-collection stage. At the same time, local allocation tax grants as a general fiscal resource and state subsidies as a specific fiscal resource are allocated from the central government to local governments, such that local governments play a bigger role than the central government at the stage where services are provided to citizens.

Thus, an interfused character maintained since the Meiji Period is incorporated into the relationship between the central and local governments in Japan, which is characterized by the scope and volume of activities carried out by local governments that are relatively large by international standards. If we look back at the history of the relationship between the



Fig. 3.1 State of net total expenditures by purpose across national and local governments. (Source: Ministry of Internal Affairs and Communications, *White Paper on Local Public Finance 2022*, p.4)

central and local governments in Japan, we see that, while decentralization was intensively attempted during two periods—the Occupation period after the Second World War and the period from the 1990s onward—the interfused relationship between the central and local governments has

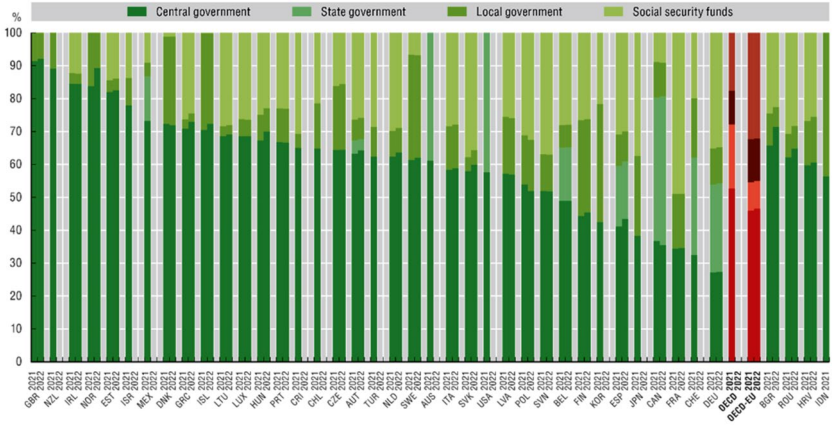


Fig. 3.2 Distribution of general government revenues across levels of government, 2021 and 2022. (Source: OECD, *Government at Glance 2023*, Fig. 10.7)

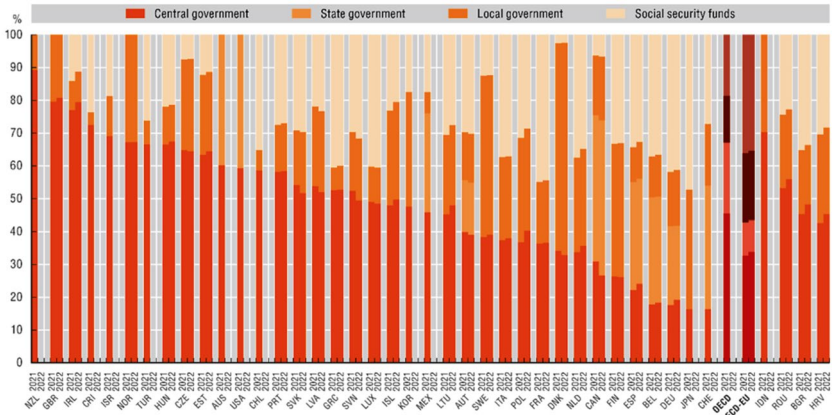


Fig. 3.3 Distribution of general government expenditures across levels of government, 2021 and 2022. (Source: OECD, *Government at Glance 2023*, Fig. 11.12)

been reinforced or maintained in administrative and financial terms. In order to grasp the characteristics of public administration in Japan, the significant role to be fulfilled by local governments cannot be ignored.

Conducting research into individual areas of public administration requires an understanding of the structure of the relationship between the central and local governments in each relevant area.

3.5 PERSPECTIVES FOR THE FUTURE

As has been made clear in this chapter, the relationship between the central and local governments in Japan was developed along with the formation of the modern state. While this relationship underwent centralization during the Second World War, we have been experiencing decentralization in terms of administrative, financial, and political aspects over a period of approximately 130 years. At the same time, the interfused relationship between the central and local governments that formed during the Meiji Period has been maintained to this day, such that local governments play a huge role in the area of public administration in Japan.

However, Japan has been affected by various crises since the 2010s that have been redefining the relationship between the central and local governments in this country.

First, major disasters, including the Great East Japan Earthquake that struck in March 2011, provided opportunities to rethink the roles of the central and local governments in crisis management and recovery. With the Great East Japan Earthquake, municipality-centered recovery efforts were advocated, and local governments in Japan were recognized as exhibiting resilience (Samuels, 2013). On the other hand, the Basic Act on Disaster Management was amended in 2012 to reinforce the coordinating authority of the national and prefectural governments as concerns support operations between local governments and wide-area evacuations.

Second, the COVID-19 pandemic exposed a lack of coordination between the central and local governments and between prefectural and municipal governments with respect to infectious disease control. Some observers have argued that the strengthening of the autonomy of local governments through decentralization reform led to inadequate responses to COVID-19 (Takenaka, 2020).

Third, Japan is faced with a crisis in which a declining birthrate and aging population are diminishing the sustainability of local communities. The trend toward centralization in Tokyo remains unabated, while the existence of communities in places other than metropolitan areas is threatened by a shrinking population. In a society in which the population is

shrinking, ensuring the sustainability of small local governments in particular is a challenge.

In order to address such crises consisting of large-scale disasters, new infectious diseases, and a shrinking population, the belief that Japan should restructure the relationship between the central and local governments and choose to go with centralization may gain momentum in the future. Alternatively, if depopulation were to progress to the breaking point, large-scale municipal mergers and a review of the two-tier local system may again be put forth for consideration.

In light of the history of the country to date, however, it is hard to imagine that Japan will abandon the interfused relationship between the central and local governments and pursue a form of governance that bypasses local governments. In other words, it appears inconceivable that Japan will move in the direction of separation of the central and local governments. Local governments will likely continue to play a key role in Japanese governance.

NOTES

1. About 1718 municipalities and 47 prefectures as of April 1, 2024.
2. The prewar Home Ministry enjoyed comprehensive jurisdiction over local administration and finances, the police, public works, health, labor, and religion (Shinto). From the 1930s onward, the Home Ministry harnessed the Special Higher Police to suppress communists and anarchists, spearheaded the Movement for General Mobilization of the National Spirit, and supported militarism.
3. For this municipal merger, a target population of 8000 people was set as the size of the population that can accommodate the affairs for which municipalities were newly responsible, such as junior high school education, social welfare, and firefighting.
4. In the process of the modernization of Japan, large-scale municipal mergers have occurred three times. The first was “the great Meiji merger,” which occurred at the end of the nineteenth century in line with the establishment of the municipal system of cities, towns, and villages. The second was known as “the great Showa merger,” as described here. The third was “the great Heisei merger,” which will be discussed later. The Meiji (1868–1912), Showa (1926–1989), and Heisei (1989–2019) periods refer to divisions of era in Japan as defined by the period of each emperor’s reign.
5. This municipal merger caused the number of municipalities to decrease from 3229 as of April 1999 to 1727 as of April 2010.

6. However, the *Discussion Forum Between the National and Local Governments* was established by law in 2011 to promote the participation of local governments in national politics; discussions between local government representatives in national associations and the relevant ministers are regularly held.

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Internationalization and Japanese Public Administration

Hideaki Shiroyama

4.1 INTRODUCTION

After the Meiji Restoration¹ of 1868, Japan began to build a modern state. It is true that Japan was a latecomer compared to the modern states in Western Europe. However, considering that the building of the administrative state in the West also began in the latter part of nineteenth century, it can be said that Japan proceeded to build an administrative state by referring to the contemporary models of various other countries. The behavioral pattern of selecting and modifying models of Western countries in line with conditions in Japan constitutes a basic behavioral pattern which can be found in Japan to this day.

In addition, a modern state was built in Japan under international regimes. Under unequal treaties concluded between 1858 and 1869, Japan had no choice but to grant consular jurisdiction to Western countries and accept restrictions on the enactment of administrative rules. How

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the country could restore its autonomy in terms of restrictions on the enactment of administrative rules and restore its autonomy of jurisdiction under these initial conditions was a key challenge to be overcome in the building of a modern Japanese state from the 1870s to the end of the nineteenth century.

Included in the international regimes governing Japan's modern state-building were multilateral treaties that established international administrative unions and other such bodies. For example, Japan joined the Universal Postal Union (UPU), which was established in 1874, in 1877 and the International Telegraph Union (ITU), which was established in 1865, in 1879. In addition, after the country's defeat in the Second World War, Japan's basic political and administrative institution was substantially transformed under the occupation regime of the GHQ (General Headquarters, the Supreme Commander for the Allied Powers).² Even after the end of the Occupation, international trade regimes came to substantially shape Japan's domestic public policies as sources of external pressure. Such international regimes consisted of both bilateral and multilateral arrangements. In addition, some regimes governed specific sectors while others applied to a broad range of sectors. From this perspective, it can be said that public administration in Japan evolved under multi-level governance, which includes a second type of multi-level governance that encompasses international regimes that are specific to certain issues (Hooghe & Marks, 2012).

In the second section of this chapter, the author will begin by analyzing the development of public administration in Japan from the late nineteenth century in three stages from the perspective of the interaction between international regimes and domestic developments. In the process of the development of public administration in Japan, international regimes (such as multilateral and bilateral arrangements) worked to constrain the development of public administration in Japan but also played a role in supporting the autonomous development of public administration in Japan. In the third section of this chapter, case studies will be conducted to analyze how roles are divided among multiple levels of government at international frameworks, national, and local levels, and what sort of institutional choices are made at each level for the operations of public administration in Japan.

4.2 HISTORICAL STAGES OF INTERACTION BETWEEN INTERNATIONAL REGIMES AND DOMESTIC DEVELOPMENTS

4.2.1 *The Building of an Administrative State Under International Regimes in the Late Nineteenth Century*

Under the unequal treaties that were concluded between 1858 and 1869, Japan accepted explicit restrictions on its judicial authority and customs autonomy. Japan had basically been maintaining its legislative authority, including authority with respect to the enactment of administrative rules, but Western countries often rejected the application of administrative rules not recognized in their respective countries in consular courts. Since prior consultation on administrative rules was required, Japan also accepted de facto restrictions on its administrative authority (Iokibe, 2010, p. 10; Howland, 2016, p. 50).

For example, the question of how hunting by foreigners who might cause an accident should be controlled was a point of contention with various countries including Great Britain (Howland, 2016, p. 68). When Japan issued quarantine rules to stop vessels arriving from infected areas for a certain period of time in order to prevent a cholera epidemic in 1878, a German consul did not agree and a German vessel (*Hesperia*) managed to enter a certain port by overriding efforts by the port authority to block it (Howland, 2016, p. 74; Iokibe, 2010, p. 77).

In order to amend these unequal treaties and overcome the restrictions on Japan's administrative authority imposed by foreign powers, and in order to meet the internal demands to build an effective administrative state, the study of advanced systems in each administrative area was conducted. For this purpose, the goal of *civilization* was embraced. The IWAKURA Mission, which comprised key government officials, was dispatched to various Western countries over an extended period of time between 1871 and 1873 with the aim of studying such advanced systems.

For example, police system was built using several Western countries as models (Westney, 1987, Chapter 2). In 1871, the first Western-style police system was installed in Tokyo under the leadership of KAWAJI Toshiyoshi. The model used at the time was the British model, which was imported via settlements in China and Yokohama. Missions were later dispatched to Europe in 1872 and 1879, then the French model was adopted. Initially set up under the purview of the Ministry of Justice, the police force was then transferred to the Ministry of Interior. In addition, the German model inspired the development of an official training system. There were

also, however, points of difference with these Western European models. Since there was no traditional police system in existence then, the Japanese police ended up being more centralized and standardized and had a significant impact on society.

With respect to the postal service, an administrative system was built based on the British model (Westney, 1987, Chapter 3). A system for the postal service based on the British model was built after MAEJIMA Hisoka visited the United Kingdom for a different purpose. The first postal service for the country was launched in 1871, which was followed by the introduction of a British-inspired system for postal money orders and postal savings. There were also, however, points of difference with the British model. In the beginning, the delivery of postal matters relied not on trains but on traditional messengers. In order to promote the nationwide establishment of post offices amid limited national resources, a system was adopted whereby the establishment and operation of post offices at a local level were entrusted to persons of high standing by having the local persons of high standing provide facilities; and these persons of high standing were appointed to honorary positions.

Japan's modern state-building efforts were also promoted under multi-lateral treaties that established international administrative unions. For example, Japan joined the Universal Postal Union (UPU), which was established in its original form in 1874, as an equal member as early as 1877 (Howland, 2016, p. 80). This means that equality-guaranteeing frameworks were quickly developed in individual sectors linked to international administrative unions in contrast to the fact that the implementation of amendments to the unequal treaties was delayed until the 1890s and beyond. International administrative unions guaranteed equality among members.

Consequently, post offices previously set up on Japanese territory by the United Kingdom and other foreign countries were abolished and postal operations in the country were taken over by Japanese entities. In addition, integration with traditional domestic private postal operators based on an international model of government-run monopoly postal services and a single rate that was applicable irrespective of distance were implemented. Revenue from postal services came to constitute an important component of revenue for Japan's treasury. This postal example can be regarded as a case in which the development of Japan's administrative autonomy was supported by an international regime of administrative union.

4.2.2 *The Regime of Occupation After the Second World War and the Return of Japan to International Society*

After the country's defeat in the Second World War, Japan's basic political and administrative institution was substantially transformed under the occupation regime of the GHQ. The system had a character of multi-level governance between the GHQ and the Japanese government in the sense that the occupation was predicated on indirect governance based on the use of Japanese government organs. In addition, such organizations as the Civil Affairs Section and Economic and Scientific Section within the GHQ acted in accordance with their own interests while ministries and agencies in the Japanese government also acted in accordance with their own interests, which gave rise to cross-national conflicts across the GHQ and Japanese government (Pempel, 1987, pp. 173–175). The author would like to analyze the multi-level governance that was employed during the Occupation, which accompanied cross-national conflicts, regarding central systems of public administration and system of decentralization.

Pursuant to Article 15 of the Constitution of Japan, which was promulgated in November 1946, all public officials are positioned as “servants of the whole community”. Pursuant to Article 73, the civil service system is to be administered in accordance with the law rather than by imperial ordinance. However, the system of central public administration was not necessarily expected to undergo any specific bureaucratic reform from the outset of the occupation. But, the United States Personnel Advisory Mission to Japan, which was headed by Blaine Hoover, arrived in Tokyo in November 1946 to promote the introduction of scientific personnel management based on the American merit-based system and job-classification system.³ Thus, civil service reform became a matter that fell under the jurisdiction of the GHQ. Based on recommendations made by the Hoover Advisory Mission, the National Civil Service Act was promulgated in October 1946. This statute established the National Personnel Authority as a central personnel body but ultimately limited the role of personnel managers (National Personnel Authority staff members working in each ministry) in terms of having the National Personnel Authority oversee the personnel affairs of each ministry; this idea was opposed by each ministry in Japan. A statute governing job classifications system was also enacted but never came into force (Okada, 1994, pp. 54–105).

The Civil Affairs Section of the GHQ also believed that the establishment of an administrative control and budget division to assist the Cabinet by way of budget drafting and efficient organization and management was essential and felt that it would be ideal to establish an effective Cabinet-level integrated administrative control and budgeting department. However, this matter could not be coordinated by the Civil Affairs Section alone; the agreement of the GHQ's Economic and Scientific Section, which oversaw Japan's fiscal and financial affairs in their entirety, was needed. Nevertheless, such an agreement was not obtained, as a result of which the Administrative Management Agency, which was established in July 1948, was not integrated with the budgetary management functions of the Ministry of Finance (Okada, 1994, pp. 170–200).

As for decentralization, provisions on local autonomy are included in Chapter VIII of the Constitution of Japan, which was promulgated in November 1946. Article 93 stipulates that the heads of local public entities are to be directly elected. Pursuant to Article 92, matters concerning the organization and operations of local public entities are to be regulated by law. Furthermore, the Ministry of Interior, which until then had been in charge of local public administration, ultimately relinquished its ongoing existence as a ministry and its functions ended up being divided among new organizations (Amakawa, 1987, p. 267).

Against the backdrop of these circumstances, a mission to study the Japanese tax system that was headed by Carl S. Shoup arrived in Japan in May 1949 and advocated for the clear separation of affairs and responsibilities among the three levels of government in Japan. However, the dual character of local governments as both units of self-government and units charged with concurrently implementing matters of public administration of the state at a local level did not change (Amakawa, 1987, p. 279). Consequently, an interfused form of a decentralized system for which there would be no clear separation of affairs and responsibilities between the national and local levels of government essentially survived.⁴

With the end of the occupation era brought about by the San Francisco Peace Treaty with Japan coming into force in 1952, Japan sought to rejoin the international community but this was not always easy depending on the sector in question. In the sector of international finance, Japan quickly enacted the Foreign Exchange and Foreign Trade Control Act in line with the spirit of the Agreement of the International Monetary Fund (IMF) in December 1949 and became a signatory to the IMF accord in August 1952 at the same time as West Germany (Akaneya, 1985, p. 110). On the

other hand, Japan applied to join the General Agreement on Tariffs and Trade (GATT) to coincide with the San Francisco Peace Treaty coming into force, but was only accepted for formal entry in September 1955 (while West Germany was able to join in June 1951). At the time of Japan's formal accession, fourteen countries invoked Article 35 of the GATT to delay entering into GATT relations with Japan, which meant that it would take another decade for Japan to establish GATT relations with Western European and British Commonwealth countries (Akaneya, 1992, p. 4).

A major cause of Japan's delay in joining the GATT lay in the perception held by Western European and Commonwealth countries, based on their experiences before the Second World War, that the Japanese economy was different and employed unfair trade practices (Akaneya, 1992, pp. 93–95). Consequently, even after Japan joined the GATT, agreements on voluntary restrictions on exports were utilized between Japan and other countries and a system of controlled trade was also broadly established between countries as reflected in a short-term arrangement regarding international trade in cotton textiles that was concluded in 1961 (Akaneya, 1992, pp. 285–293). In this sense, Japan's participation can be said to have promoted the transformation of an international regime itself.

4.2.3 *Responding to Internationalization and Globalization Since the 1980s*

In the area of international trade, the phenomenon whereby an international regime exerts pressure on the nature of domestic-level frameworks was observed in the process by which Japan joined the GATT, as described above. Japan had to distribute papers on its postwar trade and commerce policies, public administration, institutions, and on the Japanese economy, and was asked to provide detailed explanations of its labor conditions, export prices, and measures to prevent unfair trade practices as part of a negotiation process for its accession (Akaneya, 1992).

As external pressure exerted in the area of international trade, new comprehensive schemes came to be used since the 1980s as trade friction between Japan and the United States intensified (Ito & Hoshi, 2020). One such scheme was the U.S.-Japan Structural Impediments Initiative. Both the U.S. and Japanese governments agreed to establish the U.S.-Japan Structural Impediments Initiative in July 1989 and set up a joint working group by putting forth representatives from their respective

competent authorities. This joint working group convened for its first meeting in September 1989, its second in February 1990, its third in April 1990, and fourth in June 1990. An interim report and final report were formulated at the third and fourth meeting, respectively. The U.S.-Japan Structural Impediments Initiative was a framework that was intended not for arriving at an agreement on a formal international treaty but for informally addressing a broad range of issues through joint research on the structural factors impeding bilateral trade and the submission of a report to the president of the United States and prime minister of Japan.

The effectiveness of this sort of external pressure varied according to sector. For example, effectiveness of the U.S.-Japan Structural Impediments Initiative was significant with respect to public investment and distribution network issues but limited with respect to land policy and competition policy issues. Regarding the public investment issue, Japan agreed to make public investments of 430 trillion yen between 1991 and 2000. Regarding the distribution network issue, Japan agreed to amend its Act on Large-Scale Stores to facilitate the establishment of large-scale stores. On the other hand, Japan's response to the land policy issue was limited to minor revisions to its tax system. Its response to the competition policy issue was likewise limited in that, while Japan did fortify penalties under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and increase the size of the staff of the Fair Trade Commission, its response to the issues of exclusive business practices and industrial groupings among companies was limited in scope. It is believed that such differences were caused by such factors as the ability on the part of the United States to increase the number of Japanese participants who supported American policies by appropriately framing the relevant issues (Schoppa, 1997).

Trade friction with the United States later declined as the Japanese economy stagnated beginning in the late 1990s. On the other hand, Japan came to utilize various free-trade agreements, which initially consisted of a multilateral international regime of the WTO and later consisted of bilateral or regional-level international regimes (Ito & Hoshi, 2020). For example, after engaging in domestic discussions, Japan joined the negotiations for the TPP (Trans-Pacific Partnership) agreement in 2013. Even after the Trump administration in the United States indicated that it would withdraw from the TPP, Japan led the TPP negotiations and reached an agreement on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2017 without the involvement of the United States. Under such multilateral regimes, Japan has

promoted domestic policy reforms in sectors related to the agricultural sector, trade in services such as the digital economy sector, and also sought the commitment to and implementation of policy reforms from other participating countries.

4.3 VARIOUS FORMS OF INTERACTIONS IN CONCRETE CASES

4.3.1 *Domestic Implementation of International Rules: General Design Issues*

In this section, the author will seek to determine how roles are divided among multiple levels of government such as international, national, and local government levels and what sorts of institutional choices are made at each level in the context of the operations of public administration in modern Japan. Specifically, the author will examine through case studies relating to the issue of ozone depletion, an international environmental issue requiring a response at each level, and the issue of liberalization in government procurement, an international trade issue. In addition, the characteristics of the multi-level governance approach in contemporary Japan will be clarified through comparisons of the responses of Japan and the United States.

In Japan, the domestic implementation of international rules essentially requires the conversion of such rules into domestic rules for implementation. Conversion requires institutional design at two different levels (Shiroyama, 2013, pp. 208–210).

First, domestic-implementing legislation and laws need to be selected. Governments should figure out whether to proceed with laws or cabinet orders, whether to amend existing laws or pass new laws if governments will be responding with laws, and which laws should be amended if existing laws are to be amended. As an approach to domestic implementation for which such choices need to be made, the adoption of non-binding voluntary measures is also a conceivable option.

Second, the scope of domestic implementation needs to be set. On the one hand, the scope of domestic implementation can be expanded to improve regulatory effectiveness. On the other hand, if the specific contents of international rules are ambiguous, clarifying the scope of application may also end up limiting the scope of domestic implementation. In

addition, relationships among multiple levels of domestic government also need to be taken into account when designing domestic implementation. For example, if an international rule applicable to local governments is to be implemented in Japan, there is no guarantee that a local government that fails to comply with the international rule would comply with any advice or recommendation deemed to be appropriate by the national government, as set forth in paragraph (1) of Article 245-4 of the Local Autonomy Act. At the same time, whether a failure to comply with an international rule satisfies requirements needed to “demand that measures needed for rectification or amelioration be taken” as set forth in paragraph (1) of Article 245-5 of the Local Autonomy Act in which it is “deemed that provisions of the law have been contravened” or it is “deemed to be exceedingly unsuitable and clearly an infringement of the public interest” is potentially an issue.

4.3.2 *Case Study: Domestic Implementation of the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol*

The relationship between the depletion of the ozone layer and Freon gas was pointed out in a paper released by Sherwood Rowland and Mario Molina in 1974. Internationally, the United States and Canada teamed up to release a research report and raise the issue at a meeting of the OECD Environment Committee in 1975. In 1981, this matter was discussed by the United Nations Environment Programme (UNEP). In March 1985, the Vienna Convention was adopted as a framework convention. In September 1987, the Montreal Protocol, which produced a specific schedule setting forth the volumes of production and consumption of ozone-depleting substances, was adopted.

In the United States, it was decided that the Environmental Protection Agency (EPA) would have jurisdiction over issues concerning the protection of the ozone layer. In addition, it was determined that the issue would be addressed domestically within the framework of existing laws. Attempts were initially made to take action under the Toxic Substances Control Act (TSCA). But finally, action came to be taken within the framework of the Clean Air Act (CAA).

In contrast, the Environment Agency (at that time) in Japan redefined the concept of *atmospheric conservation* and attempted to position the issue of the protection of the ozone layer in the context of this concept. In response, the Ministry of International Trade and Industry (MITI) (at

that time) attempted to position the issue of the protection of the ozone layer as an extension of the provision of chemical substance regulations. Eventually, the government settled on a third way by enacting new legislation for the protection of the ozone layer in 1988.

In addition, what is interesting with respect to the domestic implementation of the convention and the protocol for the protection of the ozone layer in Japan is the fact that obligations have been imposed on users of Freon gas despite the absence of such obligations under the convention and the protocol (Kubo, 2005, pp. 247–268). The scope of domestic implementation was greater than what is provided for under the convention and the protocol. Specifically, mandates with respect to emission control and the rationalization of use to ensure the effectiveness of implementation were imposed not just on manufacturers but also on users of Freon gas. Moreover, administrative guidance, various forms of support measures, and voluntary initiatives by business associations and enterprises for these users of Freon gas were also undertaken. Since measures for the protection of the ozone layer required the reduction or total elimination of controlled substances and the conversion of controlled substances into other substances and technologies, the inclusion of business users of Freon gas was vital. Business associations played a huge role in the promotion of initiatives for business users. The Council for Promotion of Rationalizing the Use of Specific CFCs was established in 1989. This organization was renamed the Council for Promoting Ozone Layer Protection Measures in 1990.

4.3.3 Case Study: Domestic Implementation of the WTO Agreement on Government Procurement

The WTO Agreement on Government Procurement adopted during the Uruguay Round negotiations was structured as follows (Shiroyama, 2013, pp. 213–217). First, there were three important general provisions. The first consisted of the principles of national treatment and non-discrimination. The second consisted of provisions related to technical regulations and standards that aim to prevent unnecessary impediments to trade. The third consisted of provisions related to examinations of the qualifications of suppliers at the time tenders are submitted. Article VIII of the Agreement reads: In assessing whether a supplier satisfies the conditions for participation, an entity shall not discriminate between suppliers of other Parties or between domestic suppliers and the suppliers of other

Parties. The procedures for assessing whether a supplier satisfies the conditions for participation shall be consistent with the following provisions [...] a procuring entity shall limit any conditions for participation in a procurement to those that are essential to ensure that a supplier has the capacities to perform the contract for which the given tender shall be made. Along with general provisions, specific matters related to procurement were also prescribed. For example, the Agreement required the issuance of a public notice in the official languages of the World Trade Organization for any announcement of a procurement.

This agreement on government procurement was applicable not only to central governments but also local governments. In the United States, it applied only to the thirty-seven states that had voluntarily agreed to it in advance. In the process of obtaining their agreement, requests for limitations on application and exceptions were submitted by each state, as a result of which there is a complex structure in the United States in that the application of this agreement on government procurement differs from state to state and various exceptions have been made for each state. In the United States, explicit coordination between the central federal government and states was reached prior to the ratification of this agreement on government procurement. The National Association of State Procurement Officials (NASPO), an organization consisting of officials from the procurement departments of each state government, played a significant practical role in the process of coordination.

Furthermore, the United States enacted the Uruguay Round Agreement Act in 1994 as a mechanism for the domestic implementation of the results of Uruguay Round negotiations that included a government procurement agreement. The Uruguay Round Agreement Act also set forth dispute settlement procedures that allowed the federal government to compel a state government to change its measures in the event of a breach of the WTO Agreement by that state government. For these procedures, (1) a state law cannot be invalidated on the grounds that it is inconsistent with the WTO Agreement unless it were subject to a lawsuit brought by the federal government, (2) the federal government assumes the burden of proving that a given law of a state government is in breach of the WTO Agreement, and (3) in the event that the federal government intends to file a lawsuit, it must report to the House of Representatives and Senate committees no later than thirty days before the filing of the lawsuit.

On the other hand, all forty-seven prefectures and twelve government-designated cities in Japan came to be uniformly subject to the WTO

Agreement on Government Procurement at a local governmental level in the Annex to the Agreement on Government Procurement. The minimum amounts applicable to local government bodies, above which the Agreement on Government Procurement would be applied, were set forth as follows: 200,000 Special Drawing Rights (SDRs) for goods, 200,000 SDRs for services (excluding construction and engineering services), 15 million SDRs for construction services, and 1.5 million SDRs for construction and engineering services.

The application of the government procurement agreement at a local government level in Japan is characterized as follows. First, the departments and items subject to the agreement within each local government were uniformly determined. Second, construction and certain other services within local governments were granted special treatment. In Japan, the minimum amount applicable to construction services procured by the central government was 4.5 million SDRs while the minimum amount applicable to construction services procured by local governments was at least triple that amount. Moreover, the minimum applicable amount for local governments in Japan was clearly higher than that for the procurement of construction and certain other services by local governments in the United States and EU. This suggests that construction services are financially and politically important for local governments in Japan.

In addition, no formal process of consultations between the central and local governments was specifically undertaken as a part of the process of ratifying the WTO Agreement on Government Procurement. While there may have been consultations between the Ministry of Foreign Affairs and the Ministry of Home Affairs (at that time) and an exchange of opinions between the Ministry of Home Affairs (at that time) and local governments, these were not formalized by any means.

It became necessary to amend rules pertaining to government procurement by local governments in Japan with the ratification of the WTO Agreement on Government Procurement. Provisions governing the framework for procurement were set forth in the Local Autonomy Act and the Enforcement Order for the Local Autonomy Act while provisions governing detailed matters were set forth in the financial regulations of each local government. Upon the ratification of the Agreement on Government Procurement, the Cabinet Order Setting Forth Special Exceptions to Procedures for the Procurement of Goods and Specific Services by Local Governments was enacted to amend matters set forth in the Enforcement Order for the Local Autonomy Act and the Notice of the Director-General

of the Administrative Bureau of the Ministry of Home Affairs of November 1, 1995 (Notice on Special Financial Regulations) was drafted for matters set forth in the financial regulations of each local government. Specifically, the existing Enforcement Order for the Local Autonomy Act allowed for the inclusion of business location requirements and other requirements in qualifications for participation in general competitive bidding. In contrast, the establishment of business location requirements was prohibited under the Cabinet Order Setting Forth Special Exceptions.

The following points can be identified as characteristics of measures for the domestic implementation of a government procurement agreement applicable to local governments in Japan. First, general provisions included in a government procurement agreement are not always converted into domestic rules. For example, Article III of the Agreement on Government Procurement, which deals with national treatment and non-discrimination, has not been explicitly converted into domestic rules. For this reason, any situation in which matters not subject to specified, converted rules (for example, rules governing business location requirements) can end up becoming problematic in terms of national treatment or non-discrimination.

Second, government procurement by local governments in Japan, even though the government is more centralized than the United States, has been decentralized and has to a large extent become consigned to the financial rules and regulations of each local government. Thus, implementation of the WTO Agreement on Government Procurement has to rely on administrative guidance based on notifications for each local government. Consequently, there is no enforcement measure if a local government were to fail to comply with the Agreement on Government Procurement.

There are no cases of government procurement involving a local government in Japan that have ever come before a WTO panel. However, there have been cases in which local governments have been requested or petitioned to change procurement practices by a foreign government or its embassy in Japan either directly or through the Ministry of Foreign Affairs and in which informal coordination has accordingly taken place.

4.4 CONCLUSION

In this chapter, the development of public administration in Japan since the late nineteenth century in three stages was analyzed from the perspective of the interaction between international regimes and domestic development.

The behavioral pattern by which the building of domestic public administration was promoted by referring to various national models provided under international regimes was observed through three stages. The building of police administration in the late nineteenth century was based in part on the use of the French model while the building of postal administration was based on the use of the British model. In addition, attempts were made to utilize the American model for the civil service, which included a job-classification system, an integrated administrative and budgetary management system, and a separated form of decentralization⁵ under the Occupation regime after the Second World War.

However, behavior involving the modification of models referenced under international regimes in a Japanese context was also observed through three stages. Differences with the French model and British model were observed in the areas of police and postal administration in the late nineteenth century. Even under reforms carried out during the Occupation regime, job-classification system was not implemented, administrative management and budgetary management functions were separated, and an interfused form of decentralization was maintained, unlike what the American model represented. With respect to the effects of external pressure exerted by international trade regimes since the 1980s, we see that sectors that are strongly affected by external pressure and sectors that are weakly affected by external pressure coexisted in this country.

Next, the division of roles among the multiple levels of government in Japan and the institutional choices made at each level were explored. Moreover, differences between the United States and Japan were also identified.

The United States promoted the domestic implementation of the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol by the Environmental Protection Agency (EPA) through the revision of the Clean Air Act (CAA), an existing law. On the other hand, Japan dealt with this matter by having a new law to protect the ozone layer administered jointly by the Environment Agency (at that time) and the Ministry of International Trade and Industry (at that time).

In addition, the scope of implementation was expanded and mandates with respect to emission control and the rationalization of use to ensure the effectiveness of implementation were imposed not just on manufacturers but also on business users of Freon gas even though no such obligations were stipulated under the Convention and Protocol. Business associations for business users were used to support efforts by business users.

With respect to the domestic implementation of the WTO Agreement on Government Procurement, it should be noted that the Agreement applies not just to central governments but to local governments as well. However, there were differences between the United States and Japan in terms of the scope of application, the manner in which exceptions were prescribed, and the procedures that should be taken in the event that a local government contravenes the WTO Agreement. In the United States, only states that voluntarily agreed to be bound were subject to the Agreement on Government Procurement and various exceptions were provided for on a state-by-state basis. In contrast, all forty-seven prefectures and twelve government-designated cities in Japan came to be uniformly subject to the Agreement on Government Procurement and uniform exceptions for construction and other services were set forth. In addition, the Uruguay Round Agreement Act in the United States set forth dispute procedures that allowed the federal government to compel a state government to change its measures in the event of a breach of the WTO Agreement by that state government. In Japan on the other hand, such process after breaches was left to an informal process of coordination among the Ministry of Foreign Affairs, the Ministry of Home Affairs (at that time), and local governments.

NOTES

1. See Chap. 1 for Meiji Restoration.
2. See Chap. 2 for GHQ.
3. See Chap. 17 for the postwar reform of civil service.
4. See Chap. 3 for the concept of interfusion against separation.
5. See Chap. 3 for the concept of separation.

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Structure and Functions of the Central Government

Izuru Makihara

5.1 INTRODUCTION

Under a parliamentary system of government, the central government of Japan is composed of the Cabinet, the Cabinet Secretariat, and a ministerial structure comprising the Cabinet office, twelve ministries, and independent bodies. Its characteristics as an administrative organization include the standardization of the ministry structure, efforts to enhance the function of the cabinet, and lack of effective oversight of the ministry by the commission system. The reorganization of ministries and agencies in 2001 and the change of government in 2009 and 2012 led to a gradual shift toward a system in which central ministries and agencies function under political leadership. Additionally, there have been instances where an agency has been established on an exceptional basis to address issues of

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paramount importance, such as the establishment of the Reconstruction Agency in 2012 following the Great East Japan Earthquake and the Digital Agency in 2021 following the global pandemic of COVID-19. These changes are indicative of the adaptability and resilience of the Japanese central government in the face of significant challenges.

5.2 THE CURRENT ORGANIZATION OF MINISTRIES AND AGENCIES

In a parliamentary system of government, Japan's central government is a complex entity comprising the Cabinet, the Cabinet Secretariat, a ministerial structure that includes the Cabinet office and twelve ministries, as well as various independent bodies. The ministry structure is shown in Fig. 5.1.

The Cabinet and ministries can be traced back to a system centered on the classical Cabinet Codes, the official system of ministries, and relevant systems of each ministry, all of which were established during the enactment of the Constitution of the Empire of Japan in 1889. The system at the time was modeled on the organizational structure of ministries in continental Europe, including France and Germany (Silberman, 1993). However, following Japan's defeat in the Second World War in 1945, the United States introduced an American-style committee system during its occupation. This shift led to the establishment of the Prime Minister's Office, the precursor to the current Cabinet Office, which absorbed wartime administrative functions. Additionally, committees like the Fair Trade Commission and the National Public Safety Commission, modeled after American independent regulatory agencies, became attached to the Prime Minister's Office. As a result, Japan's modern central government is a blend of European-inspired ministries and American-style commissions (Short, 1923).

One distinctive feature of Japan's central government is the standardized nature of ministry structures. Compared to the UK central government, which is characterized by what Dunsire and Hood refer to as a weak "iron grid effect" and a diversity of organizational structures, differences in terms of organizational structure and prescribed staff sizes in Japanese government are not significant and structural similarities abound (Hood et al., 1981).

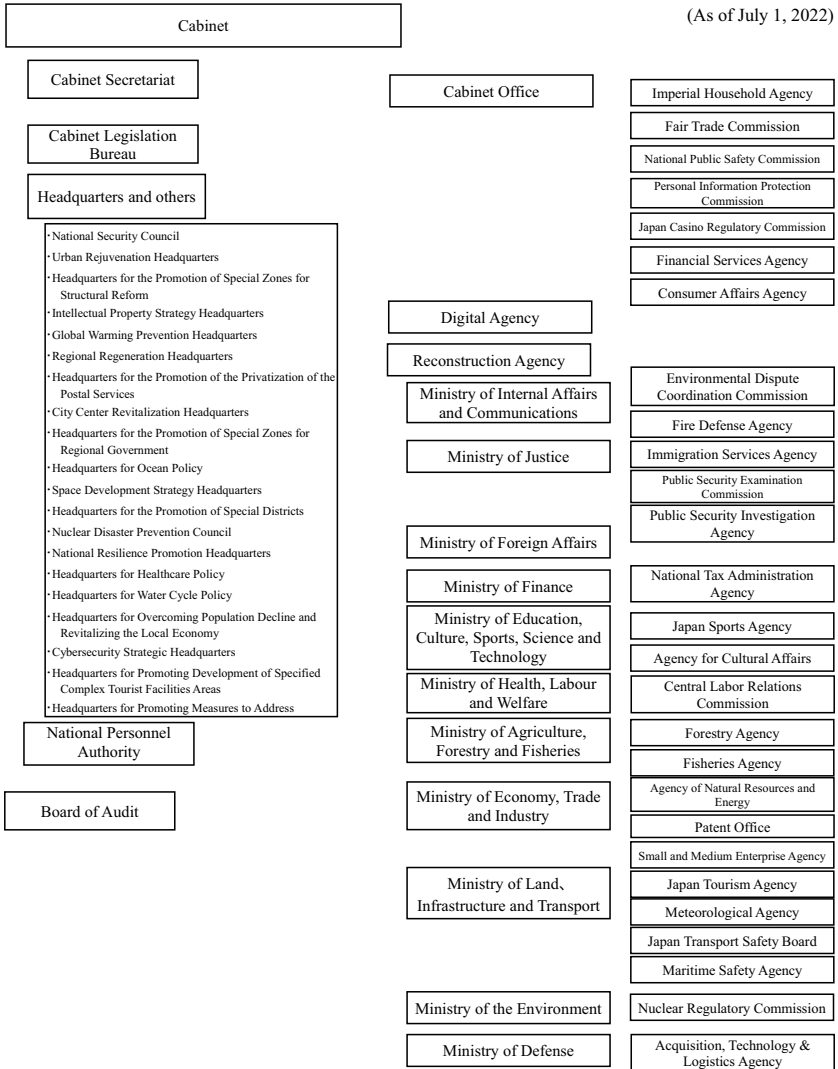


Fig. 5.1 Organization chart of public administrative bodies comprising the central government of Japan

The basis for this lies in the “common system” by which the National Government Organization Act sets forth the names of organizations, such as ministries, commissions, bureaus, and departments, and by which prescribed staff sizes are assigned to these organizations. These are very difficult for ministries to change on their own and the distribution of authority and personnel is rigidly controlled (Makihara, 1999).

The second characteristic lies in the fact that the strengthening of the functions of the Cabinet has long been a reform issue in the context of the relationship between the Cabinet and the ministries. In particular, prior to the reorganization of ministries and agencies in 2001, the influence of ministries had been relatively greater than that of the Cabinet, ministries were controlled by bureaucrats, and ministers and politicians belonging to the ruling party were unable to intervene to any significant extent. Consequently, control over ministries by the Cabinet had been weak, such that the way the Cabinet presides over general coordination of matters beyond the jurisdiction of ministries was a major challenge during and subsequent to the Meiji Period and prior to the Second World War, during the Second World War, and throughout the postwar years.

A third key feature is the gradual empowerment of independent bodies, a trend that gained momentum after the Cold War. These bodies, responsible for financial inspections, legal reviews, personnel management, document management, and information disclosure, saw an increase in their administrative resources, including funds, authority, personnel, and information.

The fourth characteristic introduces the advisory council system, operating alongside the committee system. Comprising members from the business world and experts, these councils provide policy recommendations to both the Cabinet and ministries. Following the reorganization of ministries and agencies in 2001, Cabinet policy councils emerged, enhancing the political influence of the Cabinet through flexible decision-making processes attended by ministers and private citizens.

A fifth characteristic can be found in the fact that ministries set up local branch offices nationwide to handle some of the execution of laws and regulations under their respective jurisdiction while also delegating some of the execution of laws and regulations under their respective jurisdiction to local governments. A typical local branch office is set up in a regional area overseeing several prefectures. Such a local branch office would cooperate with local government departments to deal with local administrative

issues. Moreover, ministries may loan personnel to relevant departments of local governments. In many cases, national government employees are appointed to higher positions at younger ages in terms of civil service years worked than local government employees. This can be seen as working to preserve the traditionally centralized relationship between the central and local governments.

5.3 HISTORICAL DEVELOPMENTS IN THE ORGANIZATION OF MINISTRIES AND AGENCIES

5.3.1 *Prewar Formation of Institutions*

The origins of the current central government of Japan can be traced back to the period of modern state-building that followed the Meiji Restoration, particularly the process by which the Constitution of the Empire of Japan was enacted. Amid preparations for the enactment of the Constitution, the cabinet system and system of ministries were established in parallel. Within this context, a three-tier structure of laws and regulations took shape. These were the official system of organization under the Cabinet, which regulated the cabinet system; the general rules for the ministry government system, which set forth the organizational structure common to all ministries; and the rules of establishment of ministries, which prescribes the organization of and authority vested in each ministry. Initially, these took the form of imperial decrees but later evolved into laws following the Second World War, resulting in the creation of the Cabinet Act, the National Government Organization Act, and various laws pertaining to the establishment of ministries. In any case, the basis for the standardization of ministries lay in the general rules for the ministry government system based on the National Government Organization Act. In this connection, organizational names, such as ministries, commissions, bureaus, and departments, as well as job titles, were legally defined as common to all ministries and other central organizations.

During this period, the cabinet system was characterized by its simplicity, comprising a body of ministers with relatively uncomplicated auxiliary mechanisms. Notably, the Legislative Bureau, which was modeled after the Conseil d'État in France, held substantial power in reviewing and formalizing laws and administrative regulations presented by each ministry during cabinet meetings.

Among the ministries, two wielded significant influence: the Ministry of Finance and the Ministry of Home Affairs. The Ministry of Finance, adhering to fiscal rationalism, assumed responsibility for compiling annual budgets and designing tax collection mechanisms, maintaining tight fiscal discipline. Conversely, the Ministry of Home Affairs, modeled on similar home ministries in continental Europe (e.g., France and Germany), oversaw a wide spectrum of domestic affairs, including the local government system, police administration, and public works. A significant challenge for politics at this time concerned the centralization of local government systems that had kept decentralized for a long time prior to the Meiji Period and the maintenance of public order. For this reason, bureaucrats belonging to the Ministry of Home Affairs were dispatched to prefectures, where their tendency to comport themselves as political bureaucrats was strong. Therefore bureaucrats from both the Ministry of Finance and the Ministry of Home Affairs formed a nucleus that would exert significant influence over major political parties during the era of party cabinets from 1925 to 1932 (Brown, 2018).

5.3.2 *Wartime Administration During the Second World War*

The central government system underwent significant changes during the 1930s due to the Sino-Japanese and Pacific wars. A general mobilization system of resources was established, leading to the expansion of Cabinet-affiliated organs. This period also witnessed two coup d'états, resulting in the prime minister's detachment from any political party, and power of the Cabinet was primarily derived from administrative structures and the military. Thus, the objective was to have the Cabinet formulate national policies and guide ministries in accordance with these policies. Notably, the Planning Board, which adapted itself to the wartime economy, played a pivotal role in orchestrating the steered economy by developing plans for the mobilization of goods.

Nonetheless, under the Constitution of the Empire of Japan, the authority to appoint and dismiss ministers rested with Emperor. The prime minister lacked the power to remove a minister from office. If a certain minister failed to follow orders issued by the prime minister, the Cabinet had to first resign en masse and then, after the prime minister was reappointed by the Emperor, the Cabinet could be re-formed without reappointing the minister in question. For this reason, sectionalism developed to an extreme extent within each ministry.

This sectionalism is exemplified by a geographical map illustrating the layout of ministries during this period (see Fig. 5.2). When the Cabinet system was initially established, the Diet building was surrounded by the Ministry of Foreign Affairs, Ministry of Justice, Ministry of the Army, and Ministry of the Navy. The Cabinet and Imperial Household were located near the Ōtemon Gate at the Imperial Palace, while the Ministry of Finance and the Ministry of Home Affairs were situated in this vicinity. Other ministries were dispersed more widely, as exemplified by the Ministry of Agriculture and Commerce's location in Ginza. This distribution gradually shifted toward concentration in Kasumigaseki, primarily due to the Great Kantō Earthquake of 1923, which led to the destruction of numerous government buildings. This catastrophic disaster prompted the relocation of the prime minister's official residence to Nagatachō, closer to the Diet. In the era of dispersed government buildings, ministries and agencies had limited intercommunication, leading to significant ministerial sectionalism. The consolidation of ministries and agencies in Kasumigaseki facilitated more effective interdepartmental coordination.

5.3.3 *Postwar American Influence*

In the aftermath of Japan's defeat in the Second World War in 1945, and during the period of American military occupation, Japan's public administration underwent democratic reforms that left a lasting imprint of American administrative culture on the country (Pempel, 1987).

First, the rules governing the basic structure of organizations under the official system of the Cabinet were codified into law with the enactment of the Constitution of Japan in 1946 which also led to the abolition of imperial decrees. One significant change was the dismantling of the Ministry of Home Affairs, which had previously maintained public order and enforced thought control during the wartime regime. However, despite the Occupation, the mobilization plan shifted toward supply and demand planning for resources and retained its controlled economy aspect. The Economic Stabilization Board was established to oversee this, maintaining the influence of ministries tied to the economy, notably the Ministry of Finance, which continued to wield considerable power.

The Ministry of Finance's authority extended beyond the budget and taxation system; it played a pivotal role in approving any laws or



Fig. 5.2 Location of Ministries in 1916, 1937, and 1993. (Source: Mizutani (1999, p. 40))

regulations pertaining to fiscal matters, influencing even auxiliary departments of the Cabinet. The Cabinet Secretariat was initially minimized during democratization but gradually underwent expansion over time (Makihara, 2003). In this organization, the Ministry of Finance secured the post of secretary to the prime minister and established close relations with successive prime ministers. Additionally, it deployed personnel to various sections of the Cabinet Secretariat to shape fiscal-related policies.

Another reform carried out in conjunction with democratization consisted of the establishment of independent administrative commissions. These commissions were generally modeled on the committee system in the United States. The National Personnel Authority was established as a central body for the administration of personnel matters and was modeled on the US Federal Personnel Commission. In addition, the Fair Trade Commission was also established in an attempt to regulate cartelization in industrial policies put forth by the traditional Ministry of Commerce and Industry and the postwar Ministry of International Trade and Industry; this commission was likewise modeled on the U.S. Fair Trade Commission. The National Public Safety Commission was also established to democratize the police (Ito, 2003).

The end of the Occupation in 1952 led to the abolition of several American-style administrative commissions. While there were also moves carried out by political parties to abolish the National Personnel Authority and the Fair Trade Commission, no bill for amendment was ultimately submitted to the Diet, marking an exceptional case. Meanwhile, security and military apparatuses were expanded. When the National Public Safety Commission was first set up, new local police forces were created but these forces would later be replaced by prefectural police structures. In addition, structures for maintaining domestic security through the National Police Reserve were expanded into the National Safety Agency and National Safety Force and then into the Self-Defense Forces to become an institution with a military force to be wielded exclusively for defense purposes (Samuels, 2019).

Notably, the Agency for Local Government was upgraded to the new Ministry of Home Affairs in 1960, and no new ministries had been created until the reorganization of ministries and agencies in 2001, stabilizing Japan's system of central government.

The vertical division of ministries and agencies as the significant character of Japanese central government also had a strong impact on the structure of the Diet and the long-standing ruling party, the Liberal Democratic Party (LDP). The legislative deliberations in the Diet under the New Constitution still primarily revolved around bills submitted by the Cabinet, which were originally crafted by various ministries. To facilitate these deliberations, dedicated standing committees were established in both the House of Representatives and the House of Councilors, each corresponding to a specific ministry's portfolio. In parallel, subcommittees within the LDP's Policy Research Council were organized along similar lines, aligning with ministerial units.

With the central government, the Diet, and the ruling party divided into ministerial units, bureaucrats within each ministry took on the crucial role of coordinating among these units. These bureaucrats, often possessing expertise in drafting legislation, became the primary drivers of policy formulation. While the Constitution of Japan enshrined a parliamentary cabinet system, wherein the prime minister held the authority to appoint and dismiss ministers, the LDP, having maintained its uninterrupted rule since 1955 until 1993, largely entrusted the task of shaping policies to the bureaucracy. This marked the genesis of what would later be termed "bureaucratic leadership" in the policy-making process.

5.3.4 Administrative Consolidation and General Coordination Through Administrative Reforms

Following a period of high economic growth in the 1960s, the oil crisis and period of stagflation in the 1970s, and a rapid economic recovery from the oil crisis and the rise of the bubble economy during the 1980s, Japan emerged as the world's second-largest economy. Concurrently, its central government expanded in response to the growth of the GDP. Without altering the fundamental structure of ministries, administrative reforms were undertaken regarding administrative procedures culminating in the creation of a government coordinating agency.

Firstly, post-Occupation administrative reforms were prompted by changes in the economy's scale and profound transformations in the nation's landscape brought about by rapid economic growth. These reforms aimed to simplify the intricacies of licensing administration and expedite inter-ministerial coordination, which had become a bottleneck for growth. An illustrative example lay in port administration, where a

multitude of regulations governing customs and quarantine procedures led to confusion. The authority over these regulations was fragmented among different ministries, making cargo-related administrative tasks exceedingly complex. Streamlining these processes and enhancing inter-ministerial coordination became essential objectives.

Additionally, efforts were made to strengthen the functions of the Cabinet. Following Japan's defeat in World War II, the Cabinet Secretariat, an auxiliary department of the Cabinet, underwent significant downsizing. The Legislative Bureau was temporarily merged with the Ministry of Justice. However, with the establishment of the new Ministry of Justice, the Legislative Bureau once again became an auxiliary organ of the Cabinet. Amendments to the Cabinet Act in 1957 granted broader coordination authority to the Cabinet Secretariat, introduced the position of Chief Cabinet Councilor, and entrusted inter-ministerial coordination to the Councilors' Office for domestic affairs. The former was administered by the Ministry of Health and Welfare, while the latter was managed by the Ministry of Finance.

Furthermore, coordinating ministries were progressively established within external agencies of the Prime Minister's Office. These external agencies, in accordance with the National Government Organization Act, operated independently outside the organizational structures of ministries or the Prime Minister's Office. While they were referred to as agencies under a ministerial system, headed by a director-general, there was a key distinction. The director-general of an external agency within a ministry was a regular civil servant, while the director-general of an external agency for a coordinating government office within the Prime Minister's Office held Cabinet status. Notable examples included the Economy Planning Agency, Science and Technology Agency, Environment Agency, National Land Agency, and General Affairs Agency. These agencies were established to address policy issues relevant to their respective times and were endowed with the authority to coordinate with ministries. Nevertheless, their senior officials were often bureaucrats loaned from ministries such as the Ministry of Finance and the Ministry of International Trade and Industry. It took nearly three decades for young staff initially hired at these agencies' inception to ascend to executive positions. Even as they reached senior roles, the practice of rotating positions with staff members seconded from other ministries persisted. Consequently, these agencies faced challenges in exerting strong coordinating authority over the ministries from which their executives originated.

Thus, the personnel arrangements rooted in ministerial units, which tended to assimilate newly established agencies into strong ministry's sphere of influence, became ingrained in the dominant ruling party, the LDP, which retained power for an extended period. Policy-making centered on strong ministries became the prevalent approach to public administration.

In contrast, the 1980s witnessed escalating efforts to combat inter-ministerial sectionalism. Prior to this, the government's main focus had been on having ministries manage public administration matters within their respective domains. However, with the conclusion of major public works projects on the horizon and the challenges posed by internationalization, including trade disputes, harmonization with global standards, and the advancing technology sector, the government was compelled to develop policies that encompassed areas under the jurisdiction of multiple ministries simultaneously.

As administrative reforms gained momentum and the Second Provincial Commission for Administrative Reform evolved into the Provisional Council for the Promotion of Administrative Reform, there was a growing recognition of the imperative to break down sectionalism. This imperative was openly confronted during the late 1990s reorganization of ministries and agencies (Makihara, 2006).

5.4 REFORMS AND THE REORGANIZATION OF MINISTRIES AND AGENCIES IN THE 1990s

5.4.1 *Post-Cold War Political Reform, Deregulation, and Decentralization Reform*

For Japan, the end of the Cold War in 1989 coincided with the collapse of the bubble economy. As the economy faced challenges, citizens began to voice concerns over the excessive privileges enjoyed by civil servants. Moreover, the close relationships between private companies and regulatory ministries, often manifesting in excessive entertainment and dining from the private sector, became a topic of public scrutiny. The concentration of authority within public administration gave rise to a form of corruption that, while not illegal, contradicted public sentiment. Calls for reforms emerged, emphasizing control over public administration

from political and judicial angles, along with increased societal oversight. The slogan became “from *ex ante* regulation to *ex post facto* checks.” To establish a political system that allowed for a change of government, Japan initiated political reforms, including the adoption of an electoral system comprising single-seat constituencies and proportionally represented multiple-seat constituencies.¹ Deregulation and decentralization reforms complemented these changes, culminating in a comprehensive reorganization of ministries and reforms of the judicial system in the late 1990s.

5.4.2 *Strengthening Independent Bodies*

Efforts to regulate hierarchical ministries resulted in the reinforcement of numerous independent bodies. Decentralization aimed to enhance the visibility of the national government’s involvement in local government and to restrict it. The independence of the Bank of Japan was bolstered to enhance transparency and reduce the opaque influence wielded by the Ministry of Finance. The strengthening of the Fair Trade Commission, prompted by trade negotiations between Japan and the United States, aimed to monitor sectoral regulation conducted by the Ministry of International Trade and Industry.

Consistent with the aim of going “from *ex ante* regulation to *ex post facto* checks”, marked a shift from the primarily opaque and information-centric regulatory activities of ministries to transparent regulatory efforts by various independent bodies. Key legislative milestones, including the Administrative Procedure Act in 1993, Administrative Organs Information Disclosure Act in 1999, and Public Records Act in 2009, significantly improved the transparency of administrative activities.²

5.4.3 *Reorganizing Ministries and Agencies*

A change in the basic structure of the system of central ministries and agencies in Japan that occurred as part of a series of administrative reforms was the comprehensive reorganization of ministries and agencies by the Administrative Reform Council, which was established in 1996. The first of these reforms involved the consolidation of ministries to reduce their total number. In particular, external agencies of the Prime Minister’s Office were generally amalgamated with ministries. The

second reform aimed to foster cross-functionality and break down inter-ministerial sectionalism. New systems for inter-ministerial coordination were instituted, emphasizing transparency and accelerated decision-making processes. The third reform focused on strengthening the Cabinet's functions and political leadership. In order to reinforce political leadership, efforts were made to revamp the Cabinet Secretariat and other auxiliary mechanisms.

The first reorganization consisted of a process of consolidation by which the Ministry of Education and the Science and Technology Agency were merged into the Ministry of Education, Culture, Sports, Science and Technology and the National Land Agency was merged with the Ministry of Construction and Ministry of Transport to create the Ministry of Land, Infrastructure, Transport and Tourism. The Communications Division of the Ministry of Posts and Telecommunications, the Ministry of Home Affairs, and the General Affairs Agency were merged to form the Ministry of Internal Affairs and Communications. The consolidation of the Ministry of Land, Infrastructure, Transport and Tourism was undertaken to facilitate the integrated promotion of river, road, airport, and port projects. In addition, under the Ministry of Internal Affairs and Communications, the digital transformation of the Basic Resident Registers Network and local governments was facilitated through integrated operations between the public administration of communications and local governments.³ The names of ministries and agencies were also changed. The Ministry of Finance changed its name from *Ōkurashō* to *Zaimushō*. The Ministry of International Trade and Industry became the Ministry of Economy, Trade, and Industry to reflect the addition of macroeconomic policy to its jurisdiction.

For the second of these reforms, two systems for inter-ministerial coordination were institutionalized. The first consisted of procedures for inter-ministerial coordination led by the Cabinet while the second consisted of procedures by which a ministry can approach another ministry for consultations irrespective of where jurisdiction over the matter in question lay. Ultimately, the second approach gained prominence. This shift was driven by a desire to enhance transparency and accountability in the coordination process. The media and citizens had been critical of the lengthy and opaque nature of behind-the-scenes coordination among ministries. As a

result, the reform helped expedite inter-ministerial coordination efforts by making them more open and accessible to scrutiny.

The third of these reforms involved the strengthening of the functions of Cabinet. The Cabinet Office was established to replace the Prime Minister's Office and the reorganization of key policy councils was arranged so that private sector expertise could be reflected in the deliberations. The prescribed size of the staff of the Cabinet Secretariat was drastically increased. The Chief Cabinet Councilor became the Director-General of the Cabinet Affairs Office. The heads of the Councilors' Office on Interior Affairs and Councilors' Office on Foreign Affairs were elevated to the position of Deputy Chief Cabinet Secretary. The Economic Planning Agency became a department of the Cabinet Supervisor and the secretariat of the Council on Economic and Fiscal Policy. The Council for Science and Technology and Council for Gender Equality were also established. For each of the foregoing, relevant Cabinet ministers and private members of the Diet sit together to formulate policies. The disclosure of the minutes of meetings to the public allows the deliberative process to be monitored by the public, which in turn helps accelerate the coordination process.

In 2002, the new official residence of the prime minister was completed. The brick building that was constructed in 1929 and that served as the official residence of the prime minister had become too small for its purpose and newspaper reporters had free access to the front of the Cabinet room. Because anti-terrorism measures were needed, however, the new official residence of the prime minister became a spacious modern structure with enhanced security and a crisis-management center built underground.

5.5 CENTRAL GOVERNMENT OF THE TWENTY-FIRST CENTURY

5.5.1 *The Expansion of Official Residences in Operation and Each Ministry*

New ministries and agencies began operations in January 2001. In April of that year, the KOIZUMI Junichiro Cabinet was formed. Under the direction of TAKENAKA Heizo, Minister for Economic and Fiscal Policy,

the government initiated structural reforms. The Council on Economic and Fiscal Policy played a pivotal role in directing these reforms. The Council steered discussions and revised policies of the Ministry of Finance and Ministry of Economy, Trade and Industry based on papers jointly submitted by private members of the Diet in consultation with Minister TAKENAKA. In the wake of the collapse of the bubble economy and with the economy affected by deflation, bad debts were growing and an economic crisis loomed over the horizon. The new policy council offered critical support to the prime minister's leadership.

To facilitate these reforms, numerous headquarters and subsidiary sections were created within the Cabinet Secretariat and their prescribed staff sizes were increased. Alongside the secretariat of the Cabinet Office's policy council, the prime minister's auxiliary mechanism came to take the lead in forming policies for the government as a whole. To this end, each ministry loans staff members in charge of the future of the ministry to this office. Thus, many bureaucrats from different ministries interact with the Cabinet Secretariat and Cabinet Office. While the creation of a government for the entire country ("All Japan") was the rallying cry for reforms, many Cabinet-linked bureaucrats who differed from bureaucrats defending their own sphere of influence within their respective ministries emerged. This bureaucratic class is responsible for policy changes and succession transcending the two changes of government that took place in 2009 and 2012.

In 2012, with the return of the LDP to power under the second ABE Shinzo Cabinet, efforts to strengthen the Cabinet Secretariat continued (Makihara, 2013; Vogel, 2021). The National Security Council was established in 2013 to centralize foreign policy planning, particularly security matters, under the Cabinet's purview. In addition, the Cabinet Personnel Affairs Bureau was created in 2014 to oversee executive personnel affairs across ministries. In both of these cases, the prescribed size of the staff of each ministry was allocated and assigned to these organizations, thereby making the prescribed size of the Cabinet Secretariat substantially greater than that of the central core of the Ministry of the Environment. This is how the Cabinet Secretariat came to be as large as a single ministry in its own right.

5.5.2 *Managing Administrative Resources and Independent Oversight*

Prior to the establishment of the Cabinet Personnel Affairs Bureau, the Public Records and Archives Management Commission was established in 2011 at a time when the Democratic Party of Japan was in power. In 2013, the Act on the Protection of Specially Designated Secrets was enacted and an Independent Public Records Management Secretary was appointed. In 2018, after the scandal of falsification of official documents was uncovered at the Ministry of Finance, this Secretary's authority was strengthened to provide constant oversight of the ministry's management of public documents.

Consequently, the shift in administrative resource allocation mechanisms, including authority, money, manpower, and information, marked a significant departure from previous ministry-centric management to control by the auxiliary departments of the Cabinet (Hood & Margetts, 2007). Previously, the "three divisions" within a minister's secretariat—documentation, accounting, and personnel—held central authority (Nishio, 2001). The documentation division organized authority and information in order to enable draft laws to be reviewed; the accounting division managed financial resources in order to organize and execute budgets; and the personnel division was in charge of the allocation of manpower. In the past, there were only two organizations that were allocated by the Cabinet in a manner that went beyond this framework: the Cabinet Legislative Bureau, which reviewed laws and regulations, and the Ministry of Finance, which drafts annual budget plan substantially on behalf of the prime minister.

Under the second ABE cabinet, the Cabinet Personnel Affairs Bureau was established for manpower and the Independent Public Records Management Secretary was established for information. Moreover, there was also a body that monitored all administrative resources by taking advantage of the trend to strengthen individual bodies. The concept of dual legitimacy as described by Pierre Rosanvallon (2011) was institutionalized with the Cabinet placed in charge of the first form of legitimacy through the electoral process and independent bodies monitoring the foregoing as the second form of legitimacy. Consequently, mechanisms for the allocation and monitoring of administrative resources are outlined in Table 5.1.

Table 5.1 Allocation and monitoring of administrative resource

	<i>Allocation body</i>	<i>Monitoring body</i>
Authority	Cabinet Legislative Bureau	Court
Money	Ministry of Finance	Board of Audit
Manpower	Cabinet Personnel Affairs Bureau	National Personnel Authority
Information	Independent Public Records Management Secretary	Public Records and Archives Management Commission

5.5.3 *Dealing with New Policy Challenges*

Under this institutional arrangement, headquarters were newly established in the Cabinet, Cabinet Secretariat, and Cabinet Office to deal with policy issues that went beyond the jurisdiction of ministries. Each Minister of State for Special Missions oversees a headquarters. With an increasing number of headquarters, ministers often manage multiple headquarters. The focus on which headquarters to prioritize depends on the personal views of the minister. These headquarters are relatively small and operate for fixed terms.

However, for issues of extremely high importance, there were exceptional cases where an agency was established in the Cabinet. A number of staff members, including the administrative vice-minister or equivalent, were assigned to this agency. The minister in charge of this agency would prioritize its affairs above all else. In 2012, the Reconstruction Agency was set up to promote recovery after the Great East Japan Earthquake and has been directing the long process of recovery since then (Samuels, 2013).⁴ In 2021, the Digital Agency was established to promote the sharing of data and the standardization of information systems as ways in order to allow the central and local governments to rapidly respond to challenges amid the COVID-19 crisis (Schaede & Shimizu, 2022).

Furthermore, the issue of reforming working styles has gained prominence, driven by concerns over the potential erosion of work-life balance due to the excessively long hours worked by central government staff members. The number of civil servants resigning due to extended work hours has also begun to rise (Kitamura, 2022). Consequently, there is increasing expectation within political and business circles that the National Personnel Authority will establish standards and strengthen regulations pertaining to these matters within ministries.

5.6 CONCLUSION

The reorganization of ministries and agencies in 2001, coupled with changes of government in 2009 and 2012, marked a gradual shift toward a system in which central ministries and agencies operate under political leadership. However, as there is currently no imminent prospect of a change in government, the future operational dynamics of central ministries and government agencies remain uncertain. The dominant rule of the ruling parties, particularly the LDP since 2012, has led ministries to adopt a passive stance, refraining from proactive policy formulation and instead awaiting political directives. Consequently, the policy-making process has increasingly relied on provisional responses and short-term measures, lacking adequate preparation for long-term policy development.

Conversely, political actors have begun seeking solutions to challenges such as the COVID-19 pandemic by assigning responsibility to infectious disease experts, thus sidestepping full political accountability in line with their leadership roles. An outstanding question remains: can each ministry effectively demonstrate its expertise within a political leadership system that is infused with full political responsibility?

NOTES

1. For political reform cf. Chap. 9.
2. For the reform of administrative procedure, cf. Chap. 10.
3. For digital transformation in Japan cf. Chap. 16.
4. For the recovery process after the Great East Japan Earthquake cf. Chap. 20.

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Complementary Intergovernmental Relations in Educational Administration

Kyoko Tokuhisa

6.1 INTRODUCTION

Japan is a unitary sovereign state, and its central government can exercise vertical control over local governments. This relationship between the central and local governments is less likely to apply to educational administration, as school education policies are implemented by boards of education established in prefectures and municipalities that were introduced during the occupation (September 2, 1945, to April 28, 1952) to limit the authority of the Ministry of Education (MOE, *Mombusho*) and increase that of local governments.

The Japanese school system is an egalitarian single-track “6-3-3-4 system” consisting of six elementary school years, three junior high school years, three high school years, and four university years. Compulsory education consists of the first nine years; thus, it is a so-called 6-3 system. Public schools provided 96% of compulsory education as of May 1, 2022. Municipal boards of education are obliged to establish and manage

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compulsory education in schools. However, the authority to appoint teachers resides with prefectural boards of education (excluding ordinance-designated cities). Prefectural and municipal governments work together to carry out matters related to teaching personnel. The Ministry of Education, Culture, Sports, Science and Technology (MEXT)¹ sets national standards and distributes financial resources to correct educational disparities attributed to the socioeconomic status of students. In this way, compulsory education is implemented based on the division of roles and collaboration between the central and local governments. This means that Japan's educational administration functions under the "interfusion type" of intergovernmental relationship mentioned in Chap. 3. Compulsory education in Japan is provided by three levels of government (central, prefectural, and municipal) that complement each other, and such intergovernmental relationships have been gradually institutionalized since the prewar period to ensure a standardized and high level of education.

Nevertheless, previous studies have overlooked the role of local governments and their complementarities in educational administration. The bulk of attention in the literature on education has been allocated to institutional reform under education policy (Schoppa, 1991; Nitta, 2008) or to the details of policy implementation. Numerous studies in public policy and government, however, have focused on intergovernmental relations. In a multilateral comparison of national governments, Japan is classified as a country with a high degree of centralization; however, domestically, the relationships between administrative levels are interdependent, and their influence differs by policy area (Reed, 1986). These differences can be attributed to the nature of policy issues, structural factors, and the actors participating in the decision-making process (Pempel, 1978). Education policy also needs to be re-examined with these points in mind. This chapter will provide historical clarification as to how the Japanese education system developed complementary relationships among government bodies, namely, the MOE, prefectural boards of education, and municipal boards of education. This work not only reveals the characteristics of the "interfusion-type" relationship between the central and local governments but also shows that this relationship has enabled the provision of standardized public services expected of a welfare state.

6.2 THE PREWAR EDUCATION SYSTEM

The Japanese education system was developed amid modern nation-building during the late nineteenth century. National policymakers regarded education as the key to catching up with the West. To cultivate the people and create the human capital needed for industrialization in a short period, a centralized education system was vital. Thus, the Meiji government established the MOE in 1871, four years after the Meiji Restoration, and began forming a modern school system based upon the Education System Order proclaimed in 1872.

Many schools and educated teachers were needed so that the compulsory education system could be universalized throughout the country. While the MOE ordered municipalities to build elementary schools, it also established normal schools and promulgated the Elementary School Teaching Regulations (curriculum standards) to improve and standardize teacher quality. However, on-site management was very difficult. The MOE wanted to establish education districts to ensure thorough school management, but financial difficulties forced a reliance on prefectural governors to supervise schools. This allowed educational administration to be conducted under the tripartite relationship of the MOE, prefectural governors, and municipalities.

The prefectural governors were supposed to serve in local educational administrative offices along with their positions in general administrative affairs. The establishment and abolition of elementary schools were carried out by municipalities under the supervision of governors. These governors were supervised by the Minister of Education; however, this supervision was actually almost nonexistent. The local educational administration was centered on the prefectures. Prefectural governments endeavored to set up agencies and enhance their executive capabilities to take charge of affairs related to educational administration. Regarding compulsory education, prefectural governments voluntarily placed school inspectors to guide and assist teachers in various matters, such as teaching methods, curriculum design, and other points of educational content. Through these attempts, the gaps in educational practices among schools were gradually corrected. However, their effectiveness was limited because of significant educational disparities between municipalities based on financial reasons.

In 1886, the MOE enacted the Elementary School Order (ESO), which stipulated what parental obligations were regarding the enrollment of children in school, with the aim of increasing school attendance rates.

However, its effect was limited because tuition fees were paid by beneficiaries, and school construction costs were borne by municipalities. Accordingly, as both systems were financially weak, state involvement was necessary to further spread compulsory education (Monbusho, 1972).

For municipalities, the burden of paying teachers' salaries was substantial. Public school teachers were treated as government officials. Nevertheless, their salaries were prescribed in accordance with the financial strength of the municipality, which meant that actual salaries were quite low and that there were large wage gaps across regions. Poor towns and villages often relied on unqualified teachers, and their treatment was terrible. Thus, teacher shortages were normalized. Hoping to ameliorate this situation, the MOE enacted a law in 1896 that aimed to restore state subsidies. While this was an inadequate measure from a financial standpoint, it marked the beginning of measures to provide state subsidies for compulsory education.

The ESO of 1900 stipulated that the compulsory education period would consist of four years universally and that tuition for elementary school was free of charge in general. These reforms, however, placed a heavy burden on the finances of towns and villages. Unlike cities that benefited from industrialization, the finances of agricultural villages remained tight. If we examine disbursements in the 1917 fiscal year, we see that education costs accounted for 12.6% of the total disbursements in cities but 40% thereof in towns and villages, reflecting a clear difference in wealth. In 1918, a new law was promulgated to expressly stipulate that a portion of teachers' salaries at elementary schools located in municipalities would be paid out of the national treasury. It was also historically significant for Japanese finances that this law allowed fiscal adjustment functions to be harnessed, such as by allowing the amount of approved subsidies to be increased in light of disparities in financial strength between municipalities (Naito, 1950).

In 1940, a new system of partial tax transfers to local governments was instituted, and a comprehensive system of fiscal adjustments was established.² At the same time, the Act on National Treasury's Sharing of Compulsory Education Expenses (ANTSCEE) was enacted, under which teachers' salaries at municipal elementary schools began to be paid by the prefectures and half the actual costs incurred began to be paid by the state. Prefectures became institutionalized as important units for rectifying the financial disparities among municipalities. Thus, complementary intergovernmental relationships, which can be called the prototype of the "inter-fusion-type" relationship, were established.

6.3 POSTWAR EDUCATION SYSTEM

6.3.1 *Education Reforms During the Occupation*

The prewar education system was compelled to change through reforms made during the occupation. The aim of these occupation reforms was the democratization of education and society in Japan. To ensure that the people would adopt a democratic attitude, the equality of educational opportunities was essential. Thus, the multitracked prewar system was replaced by a single-track system. For the curricular contents, the Civil Information and Education Section (CIE) of the Occupation Forces (GHQ/SCAP) censored and revised both textbooks and the curriculum to eliminate militaristic and ultranationalistic aspects. On the other hand, the autonomy of teachers was permitted to the fullest. Given that Japan was a country undergoing democratization and that teachers needed guidance in liberal-democratic education, the CIE authorized the MOE to issue courses of study on a trial basis.

The CIE and Japanese policymakers generally agreed on the direction of democratic reform, but they differed on the decentralization reform. In the United States, people are considered to have the right to education; thus, elected school boards have been built to allow residents to make decisions related to school education. This is a means of exerting democratic control. Hence, the CIE planned to introduce a school board system named the board of education system³ in both prefectures and municipalities in Japan; the CIE also tried to eliminate higher government involvement as much as possible. In short, the CIE intended to implement reforms that would replace the existing education system based on interfusion-type intergovernmental relationships with one based on separate intergovernmental relationships.

Japanese policymakers refused to adopt this change. School districts in the United States had their own sources of funds and were in charge of affairs related to their teaching personnel, the curriculum, school facilities, and other pertinent matters. The system slated to be introduced in Japan, however, was based on administrative groups in the prefectures and municipalities, which lacked their own resources for education. This meant that governors/mayors and politicians would have a great deal of influence over education budgets and content, which would in turn inhibit the democratization of education. Therefore, Japanese policymakers asserted that the involvement of the MOE and prefectural boards of education in

municipal boards of education was essential to ensure independence from the general administration. That, of course, was not permitted by the CIE.

The CIE enacted the Board of Education Law (BEL) with the aim of establishing an educational administration system in which municipal boards of education would take the lead. Under the BEL, municipalities had the right to appoint public school teachers, as they had done before WWII. It was foreseen that this would lead to significant geographic disparities in teacher assignment and teacher quality for financial reasons. To avoid this situation, Japanese policymakers re-enacted the ANTSCEE, which had been repealed by the GHQ. After the occupation ended, policymakers attempted to amend the BEL, which was renamed the Act on the Organization and Operation of the Local Educational Administration (LEAA) in 1956. From the perspective of guaranteeing *de facto* independence from general administration, complementary intergovernmental relationships were developed that allow for the involvement of the MOE and prefectural boards of education to narrow disparities between municipalities arising from a lack of administrative resources (Tokuhisa, 2008).

Unlike the United States, where different education policies are implemented in different school districts, Japan has developed a system that provides the same quality and quantity of compulsory education regardless of geographical conditions. For school facilities, the MOE proclaimed a new law in 1958 to make permanent the system by which a portion of the costs incurred to build public compulsory education schools is assumed by the state. This law helped promote the nationwide standardization of compulsory education school facilities and improvements to facilities. With regard to the personnel affairs of teachers and staff, a complementary personnel system was built. The BEL placed personnel authority in the hands of municipal boards of education. This resulted in an imbalance in personnel assignments. To manage school education better, more professional staff and teachers were needed, which was difficult for financially strapped municipalities. On the other hand, high-quality teachers tended to be concentrated in urban areas where they were treated well, and the geographic disparity in the distribution of teaching staff widened. Therefore, the MOE built a prefecture-funded system for school teachers and staff, for which the prefectural and national governments shared the cost of teacher and staff salaries under the LEAA (Honda, 2003).

In summary, educational reform during the occupation was a process of reinterpreting the systems introduced by the GHQ to fit the Japanese political context. The board of education system was a typical example of

this process in which Japanese policymakers sustained a pattern of interdependent government relations to the extent permitted by the GHQ (e.g., ANTSCEE); then, after the end of the occupation, they changed the system to one based on complementary intergovernmental relationships, thereby ensuring universal compulsory education.

6.3.2 *Stability of the Japanese Education System*

A system guaranteeing equal educational opportunities began to be developed through a series of reforms; however, the standardization of school education was also induced by societal needs. The process of actualizing the correction of geographic disparities, which in many cases reflect disparities in students' socioeconomic status, ran parallel to the popularization of education.

The rapid economic growth that began in the latter half of the 1950s expanded the industrial sector and increased the number of blue-collar skilled managers and white-collar workers. This enabled class mobility and increased the motivation to enhance one's educational background. Therefore, rates of enrollment in high schools and universities increased. This period coincided with the moment in time when postwar baby boomers were entering high schools and universities themselves. It thus became a challenge to determine how to quantitatively expand school education (Kariya, 2013).

On the other hand, attempts were made to review education reform during the occupation. The American-led education system was based on empiricism, which was in line with the occupation objectives of fostering democratic attitudes. The new education system required environment improvement and teacher training, but there was almost no room for such changes, and sufficient results were not achieved; this was also a cause of the decline in academic achievement. Academic ability surveys in the early 1950s revealed a decline in basic academic skills and regional disparities, which shifted policy ideas from a model of empiricism to one of intellectualism that was highly compatible with meritocracy.

Institutionally, the single-track system made it easier to acquire an educational background; however, there was a wide disparity in academic achievement by region. For the purpose of equal educational opportunities, it was necessary to standardize the content of education by preparing the national curriculum and homogenizing the quality and quantity of teachers nationwide. What made this possible were mandatory curriculum

guidelines and the Act on Standards for Class Formation and Fixed Number of School Personnel of Public Compulsory Education Schools (CESA) enacted in 1958. The former clarified that there were legally binding standards for curricula containing set courses as part of establishing national minimum standards for compulsory education that would raise educational achievement. The latter made standardized educational practice possible by standardizing the class size.

The CESA defined an equation for calculating education costs per student. In other words, the number of school staff members was to be determined after prescribing a maximum class size and calculating the number of classes according to the number of students. This approach, which enabled the same content to be taught in unison in classrooms that were all of the same size irrespective of geographical conditions, promoted the equalization of education (Kariya & Rappleye, 2020, Chapter 2).

To achieve this, the homogenization of teaching skills was essential. Underpinning this need were the voluntary training activities of teachers' unions and the prefecture-funded system for school teachers and staff. Teachers' unions in Japan were ideologically positioned on the left and were in conflict with the educational authorities (Aspinall, 2001). Until 1960, the influence of unions was large, and more than 80% of teachers joined them. Prefectural teachers' unions and their branches served as conduits for the exchange and dissemination of information related to educational practices. Advanced initiatives were spread and successfully shared nationwide through education research meetings of the Japan Teachers' Union. While teacher training was under the purview of municipal boards of education, this was difficult to execute due in part to staffing issues until approximately 1960. The fact that teachers' unions often undertook activities related to the training of teachers helped to strengthen the role of these teachers' unions (Tokuhisa, 2020).

However, the role of teachers' unions in teacher training diminished for two reasons. One was the application of a unified curriculum following the 1958 revision of the courses of study, and the other was the expansion of the number of supervisors who taught it. In summary, while teachers' unions were effective during the period of American-style empiricist education, their influence decreased as standardized education based on a unified curriculum was implemented, and the supervisor system became more effective. As reported in official documentation, "A supervisor shall, as ordered by a superior, engage in administrative work related to the curriculum, educational guidance, and other specialized matters concerning

school education” (Article 19-3 of the LEAA). Supervisors were assigned to prefectural boards of education, while assignment to municipal boards of education was optional. To standardize educational practices, which varied from school to school and class to class, the MOE increased the number of supervisors who held workshops and conducted school visits and guidance.

As this system was introduced during the Cold War and as ideological conflicts within the country were intense, teachers’ unions were against the supervisor system. However, the system was gradually accepted, and the role of supervisors in school education became indispensable.

The role of supervisors was not limited to the provision of guidance for teachers at schools under the jurisdiction of municipal boards of education; supervisors were also placed in charge of personnel matters and other aspects of school management. To manage schools and provide guidance to teachers under the jurisdiction of municipal boards of education, prefectural boards of education set up a substantial number of branch offices called “education branches”, which assigned teaching supervisors and management supervisors and had them carry out work within the region. Consequently, the local education administration came to function through a chain of relationships as follows: the MOE to prefectural boards of education to education branches to municipal boards of education to schools (Fig. 6.1).

While these relationships varied somewhat from prefecture to prefecture, education branches also played an important role in teacher transfers. In Japan, a country in which forests account for nearly 70% of the landmass, approximately 40% of the arable land is situated in mountainous areas where compulsory education schools have been set up for local children. As securing teachers in geographically disadvantaged areas had been a challenge since the Meiji era, the MOE tried to address this challenge by enacting a new law in 1954; however, it was not enough. Even though it was necessary to assign teachers across a wide area to ensure a fairly balanced distribution of teachers by age, sex, and expertise, the former BEL introduced at the behest of the occupation authorities was limited in scope to a narrow range, i.e., municipalities.

This was changed by the LEAA, which stipulated that municipal boards of education were to oversee the service of teachers and that prefectural boards of education were to serve as not only paymasters but also the appointing authorities. For local governments in charge of substantial numbers of mountainous areas or remote islands, the reassignment of

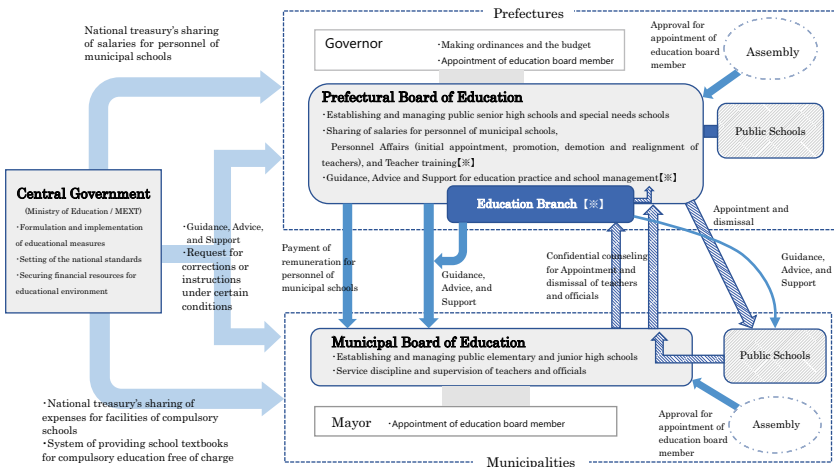


Fig. 6.1 Intergovernmental relations in terms of education policy. (Created based on the chart drawn by the Union of KANSAI Government (<https://www.kouiki-kansai.jp/material/files/group/3/1374223165.pdf>))

teachers over a wide area allowed them to resolve teacher shortages and guarantee the quality of education. On the other hand, teachers themselves remained unhappy. The government created a sense of fairness and mission among teachers by providing work allowances and incorporating remote assignments into their career paths. It goes without saying that teacher transfers were not always done in a uniform manner. Local governments within many remote areas tended to adopt a widely defined personnel system (personnel transfer throughout the prefecture), whereas local governments with few remote areas tended to adopt a narrowly defined personnel system (personnel transfer within municipalities or local education branches). This system was established in the 1960s.

Education branches became the cornerstone of wide-area teacher transfers. Prefectural boards of education utilized education branches as arenas where feedback from municipal boards of education could be obtained and the assignment of teachers could be coordinated. Management supervisors assigned to education branches were often former teachers who were familiar with the personnel situation in each area; thus, they played a role in promoting the building of a consensus among municipal boards of education. With the accumulation of these adjustments, the inertia of

personnel took hold, and the wide-area teacher transfers took root and stabilized (Kawakami, 2013).

In Japan, geographical conditions and the degree of urbanization vary greatly among municipalities; thus, a broad-based response was needed to reduce the disparities between municipalities. Prefectural boards of education and education branches were responsible for this reduction, and they took various measures according to regional conditions. In short, compulsory education in Japan enabled the practice of universal compulsory education as set by the MOE by allowing prefectural boards of education to correct disparities between municipalities.

In this way, the Japanese model for the postwar education system guaranteed an equality of educational opportunities through systemic intergovernmental relationships. The standardization of the curriculum and teachers corrected educational disparities attributed to geographical conditions. Standardized education enabled class mobility and produced a steady stream of people who would lead economic growth. In that sense, the education system in postwar Japan was an important element in constructing the Keynesian-welfare state.

6.4 PRESSURE FOR AND RESISTANCE AGAINST REFORM

In the 1990s, the postwar education system began to be criticized. As the Japanese labor market was based on the hiring of new graduates at the same time each year, the competition among students striving to obtain a great job via their academic background intensified. Standardized education lends itself to meritocracy but robs students of individuality and innovation. Since the 1980s, the education system has been widely criticized for being ill suited to human resource development in the postindustrial era; thus, deregulation and diversification have been called for.

The recession caused by the bursting of the bubble in the early 1990s prompted both administrative and decentralization reform, by which deregulation and devolution were undertaken. Wishing to perpetuate a standardized education that is maintained through state involvement, the MOE sought to increase the discretion of local governments by operating the existing institutions flexibly, thereby ensuring diversification. The MOE's policy response gained a certain amount of support, especially from those who disliked educational disparity.

On the other hand, some local governments tried their own reforms in the 2000s based on the support of those who disliked uniformity. The

Japanese electorate has long been highly interested in education, and education is likely to be included in campaign pledges. In an age when decentralization has become the norm, politicians are expected to not only reform existing policies but also introduce new ones. Hence, they tend to encourage schools to make the most of the regional characteristics, introduce a school-choice system to grant students and parents the ability to make choices, and adopt a school council system to prompt resident participation. While this series of reforms seems to be drastic, such changes fit within the framework of the flexible reforms implemented by the MEXT. These reforms are, however, all based on the interests of politicians who want to secure their election by appealing to voters. In this way, these developments represent the politicization of education (Aoki, 2013).

The LEAA has two principles, namely, independence from general administration and political neutrality, stability, and continuity in educational administration. Based on the belief that education policies should not change drastically each time a governor/mayor takes office, the office terms of board members are staggered to maintain continuity in educational administration. Because governors/mayors also respect the autonomous operations of boards of education, stable administrative management is possible. In the 2000s, however, there arose cases in which a board of education was effectively controlled through personnel affairs appointing new board members in line with the wishes of the governor/mayor. Institutionally, the governor/mayor can renew the terms for all board members if he or she serves two terms; there was one who did just this.

The board of education is primarily responsible for school education, and the governor/mayor respects its decisions and control. However, this can occasionally lead to confusion over where responsibility lies. This became a contentious issue in 2011 amid bullying and other issues, and certain reforms were considered. As a result, reforms increasing the governor's/mayor's authority were instituted in the 2014 amendment to the LEAA.⁴

In short, reforms in the 2000s generally allowed governors/mayors to take over educational administration. Providing better-quality education than other cities has become a matter of interest to governors/mayors seeking to gain voter support. Specifically, securing good-quality teachers has become a challenge, and the level of interest in teaching personnel has risen (Shimizu & Takada, 2012). This could, however, lead to disapproval of a widely defined personnel system. While municipalities, except ordinance-designated cities, do not possess authority over personnel matters,

requests for the delegation of such authority have come to be made even within financially sound core cities.

Nevertheless, there is significant support for wide-area teacher transfer under the prefecture-funded system for school teachers and staff and coordination among agencies, namely, prefectural boards of education, education branches, municipal boards of education, and schools. A questionnaire survey administered by the author in 2021 to municipal boards of education (the valid response rate was 47.0%) revealed that 70% of municipal boards of education feel that the current state of the scope of teaching personnel is appropriate, while only 3.2% of respondents wished for a narrower range. In determining entities that are working to correct gaps in academic achievements within a prefecture, 9.4%, 38.9%, 25.1%, and 19.2% of respondents indicated the MEXT, prefectural boards of education, municipal boards of education, and schools, respectively; thus, it was made clear that a system for standardization is functioning to redress disparities within the framework of complementary relationships between the MEXT and local education authorities. It was also made clear that even when municipal boards of education themselves express a high degree of interest in improving scholastic performance in their own municipalities, they are highly likely to abhor the existence of educational disparities among municipalities. There is support for equal opportunities and standardization in education in the form of policy principles among educators and related bureaucrats. An education system that embodies these policy principles is supported by multiple institutions, including the prefecture-funded systems for school teachers and staff, the LEAA, the CESA, and the course of studies. The interconnectedness of these institutions makes it difficult to undertake fundamental system reforms. Thus, even if education undergoes politicization in municipalities, we see that systemization works to maintain compulsory education standards.

6.5 CONCLUSION

As discussed in this chapter, Japan's model of complementary intergovernmental relationships was developed during the process of modern nation-building. Although school education, which provides interpersonal public services, is administered by municipalities, it has been difficult for municipalities to implement school education on their own, which entails enormous financial expenditures. Therefore, the process requires either a significant transfer of financial resources or the involvement and

collaboration of a higher tier of government. In prewar Japan, which did not have sufficient financial resources, the latter approach was chosen. Attempts were made to promote compulsory education and reduce geographic disparities under complementary intergovernmental relationships.

During the occupation, the education system based on interfusion-type intergovernmental relationships was forced to undergo revision, and the board of education system was introduced. However, Japanese policymakers introduced a system based on separate-type intergovernmental relationships by adding an interpretation that fit the Japanese social context. This approach implied that the “localization” of policy ideas occurred in institutional transfers.⁵ At the end of the occupation, Japanese policymakers sought to revise the decentralized education system introduced by the GHQ. The reforms were carried out at the beginning of the period of rapid economic growth, and there was a high level of social demand for equal opportunity and standardization of education. Compulsory education without geographical and socioeconomic disparities was important for those who wanted class mobility based on academic qualifications. An education system based on complementary intergovernmental relationships was therefore built to make this possible.

This interconnectedness, however, is not set in stone. A chain of changes can be triggered by institutional linkages. Unlike industrial societies that have an affinity for standardized skills, postindustrial societies seek outstanding abilities to generate innovation. According to public opinion polls, a growing percentage of individuals believe that educational disparities are widening. However, such perceptions do not necessarily lead to demands that measures should be taken to reduce inequality. If anything, the passive acceptance of disparities is on the rise. At the same time, the business community is demanding excellence. If this approach were supported by politically motivated policy changes, then the possibility that institutional reforms would erode the idea of standardization remains. Until the MEXT has new policy ideas that proactively support standardization, the legitimization of the education system built in the postwar era will not be preserved.

Education is inseparable from the formation of human capital; thus, developed countries are required to reform their educational systems in line with the transformation of industrial structures. While higher education, which will be directly affected by this response, will be forced to change, compulsory education will be only indirectly affected; this means that it will be strongly governed by the postwar education system. On the

other hand, compulsory education is also undergoing decentralization, re-centralization, and politicization as governments aim to improve it within budgetary constraints.

In the United Kingdom, especially in England, decentralization and re-centralization were both achieved by transferring to schools much of the authority over school education that had been previously granted to the Local Educational Authorities, which managed schooling within their jurisdiction based on the principle of egalitarianism; at the same time, the authority of the Minister of the Department of Education and Science was also strengthened and centralized. In the United States, there have also been cases of education reforms in which the authority of school boards has been de facto seized by mayors. In short, the politicization of educational administration was witnessed. In either of these places, the principle of competition has been introduced to improve academic achievement; however, this has not necessarily brought good results in terms of correcting educational disparities. Rather, by blaming schools for their poor performance, the role of the government is reduced, and inequality is allowed.

In contrast to the UK and the US, Japan has achieved educational standardization through the course of studies and teaching personnel. Therefore, from the perspective of comparative politics, there are limited voices supporting educational reform using the principle of competition; in that sense, it is said that Japan's education system is highly stable. Certainly, the Japanese system is not without its problems. The intergenerational reproduction of educational attainment is observed to some extent, as in other countries. If there is anything that can improve the situation in which a child's educational background is determined by the economic and cultural capital inherited from his or her parents, it would be public education. The author would therefore like to consider the role the Japanese education system, which has a guaranteed level of standardization, can play in the future.

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NOTES

1. The MEXT was established on January 5, 2001, through the reorganization of the Ministry of Education.
2. The impact of the fiscal adjustment system on an interfused relationship between the central and local governments is detailed in Chap. 3.

3. The board of education system is set up as “administrative commissions” (administrative agencies headed by board members), and its independence from the general administration is institutionally guaranteed; however, it lacks financial independence.
4. More information on the revised board of education system can be found at the following: <https://www.nier.go.jp/English/educationjapan/pdf/201703LEADSJ.pdf>.
5. The role of ideas in institutional reform and their interpretation cf. Chapter 22. The concept of localization used in this chapter is that of Acharya, who is an expert in IR. This concept is adopted because it draws attention to the fact that even when a concept is widely accepted internationally, it must be interpreted in light of the political situation in each country to make it acceptable (Acharya, 2014).

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Local Governments and Public Administration

Satoru Ohsugi

7.1 INTRODUCTION

A quarter of a century after decentralization reforms began, Japan's local governments find themselves standing at a crossroads.

Spending by local governments accounts for approximately 60% of total spending by the government sector in Japan. The role fulfilled by local governments in providing an extensive range of administrative services, including medical care, public health, and cleaning to maintain and promote people's health and improve the living environment as well as school education and social welfare, is exceedingly important. With the exception of diplomacy, defense, pensions, and certain other affairs that come under the exclusive jurisdiction of the state, local governments bear a certain degree of administrative and financial burden in all administrative fields.

Significant financial disparities continue to exist among local governments. Consequently, local governments are financed by local taxes and

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local bonds as well as by transfer payments made by the state (including local allocation tax payments and national treasury disbursements). The promotion of decentralization caused the extent to which the level of administrative services to be entrusted to the discretion of local governments to expand. While a system of local self-government ensures the provision of services of at least a certain level nationwide, it also allows for community development that is suitable for local conditions. In Japan, an especially disaster-prone country, local governments play an exceptionally significant role together with the national government when it comes to disaster measures and other actions undertaken in response to emergencies (Ohsugi, 2008a). Even the spread of COVID-19 was successfully addressed with measures based on the discretion and ingenuity of local governments in line with national policies and in response to regional disparities in terms of the spread of infections and the deployment of healthcare institutions. When we consider the full-scale arrival of a society marked by a declining birthrate, aging population, and depopulation, however, it is uncertain as to whether the current system is sustainable.

The purpose of this chapter is to outline the basic structure and actual state of operations of the local system of self-government, which occupies an important position in the context of public administration in modern Japan, with a focus on organizational structures and operations related to local governments.¹

7.2 INSTITUTIONAL GUARANTEE OF LOCAL SELF-GOVERNMENT

Local self-government in Japan is provided for in the provisions of Chapter VIII (local self-government) of the (current) Constitution of Japan. An overview of the Local Autonomy Act and other basic statutes shall now be provided.

7.2.1 *The Constitution of Japan and Local Self-Government*

The Constitution of Japan was enacted through a process of amending the Constitution of the Empire of Japan (Meiji Constitution). It is known that the process by which the Constitution was enacted involved intense negotiations in accordance with instructions issued by the General Headquarters

for the Allied Forces (GHQ) as the authority through which the rule of the occupying powers was wielded after the Second World War and the same can be said of Chapter VIII. While the initial draft as put forth by the GHQ included provisions that stipulated that residents would be the primary constituents of self-government and provisions concerning charters akin to those set forth in the constitutions of states comprising the United States of America, these provisions would end up being jettisoned by the final stage (Imai, 2017). However, institutional guarantees of local self-government are vastly stronger under the current constitution in light of the lack of provisions concerning local self-government under the Meiji Constitution.

The provisions of Article 92 as concerns local self-government in general are as follows (Ohmori & Ohsugi, 2021, pp. 63–65). First, by limiting matters “concerning organization and operations of local public entities” to laws prescribed by the Diet as the “sole law-making organ of the State” and as “the highest organ of state power” (Article 41), local self-government is protected from undue encroachment by those who wield administrative power.

Second, whenever a law related to matters “concerning organization and operations of local public entities” is enacted, the legislative intent is restricted to the “main purpose of local autonomy”. In other words, a law that infringes on local self-government is considered to be unconstitutional even if it is based on law.

As the term “local autonomy” suggests, Article 92 is a provision that focuses on guaranteeing the autonomy of self-governing bodies, in particular as a principle guaranteeing the division of roles and separation of powers between the state as the central government and self-governing bodies as local governments. Thus, it clarifies a position emphasizing the autonomy of self-governing bodies and serves as the basis for the promotion of decentralization.

7.2.2 Basic Legislation Concerning Local Self-Government

The Local Autonomy Act exists as a law that sets forth matters “concerning organization and operations of local public entities” as provided for in the aforementioned Article 92 (Matsumoto, 2017). The Local Autonomy Act is regarded as a law attached to the Constitution on par with the Diet Act, the Court Act, and the Cabinet Act, among others. It came into force

on the same day as the current Constitution came into force (May 3, 1947) together with other basic laws. Laws enacted for each category of self-governing body under the Meiji Constitution (Tokyo metropolitan, prefectural, city, and town/village systems) were abolished and folded into the Local Autonomy Act.

The most radical amendments made to the Local Autonomy Act since its enactment is the one that was made in response to decentralization reform (came into force on April 1, 2000). At the time, the principle of the division of roles between the central and local governments undertaken in accordance with the principle of decentralization was incorporated along with the addition of a provision stating: “Local governments shall broadly take on the role of independently and comprehensively implementing public administration locally on the basis of promoting the welfare of residents” (Article 1–2).

7.3 TYPE OF LOCAL GOVERNMENTS AND RELATED INSTITUTIONS

Although self-governing bodies are collectively referred to as local public entities in the constitution, their types are prescribed in the Local Autonomy Act. Since references to self-governing bodies generally refer to prefectures and municipalities, Japan’s system of local government is described as being a two-tier system. While government deliberative committees occasionally discussed the possibility of adopting the Do-Shu (province) system as an administrative division encompassing a wider area than prefectures, it never came to fruition. Since the 1970s, countries like Italy, France, and Belgium have introduced wide-area regional forms of government. In contrast, decentralization predicated on the two-tier system of prefectures and municipalities has been promoted in Japan.

7.3.1 *Types of Local Governments*

“Local public entities” as referred to in the Constitution are governed according to two different classifications under the Local Autonomy Act, as shown in Fig. 7.1 (Ohmori & Ohsugi, 2021, pp. 111–116).

The first classification consists of ordinary local governments and special local governments.

Ordinary local governments are governments of prefectures and municipalities. The word “ordinary” in this context refers to the fact that these governments come under a general system that has been established nationwide. Thus, entities commonly referred to as self-governing bodies are primarily ordinary local governments.

Special local governments currently consist of special wards (explained later), local public cooperatives, and property wards.

The second classification consists of basic local governments and wide-area local governments. Japan’s local system of self-government is regarded as a two-tier system because of this classification.

Basic local governments are also known as basic self-governing bodies and refer to municipalities and special wards. Their role is to process, as the “government operating closest to residents”, local affairs not handled by the prefecture.

Wide-area local governments are also known as wide-area self-governing bodies and refer to prefectures. Encompassing municipalities, they are in charge of wide-area affairs, liaison and coordination affairs, and supplementary affairs.

Until the prefectural system came into force (in 1899), prefectural units corresponding more or less to prefectures as they exist today had been established with the exception of Hokkaido and Okinawa (only Tokyo, from among the *fu* prefectures of Tokyo, Kyoto, and Osaka, became the metropolitan area of Tokyo in 1943).

In contrast, municipalities numbered more than 70,000 during the early years of the Meiji Period but this number shrunk to approximately 15,000, or one-fifth, as a result of the mass amalgamations of the Meiji Period, which was promoted by the government along with city, town, and village systems that came into force in 1890; then to approximately 3500, or one-third, as a result of the mass amalgamations of the Showa Period that occurred pursuant to the Municipal Merger Promotion Act (1953) and its successive law; then once more to approximately 1700 as a result of the mass amalgamations of the Heisei Period. The population of a municipality averages at least 70,000, which makes municipalities in Japan very large as basic self-governing bodies even by international standards.

The classifications of basic local governments and wide-area local governments were established through amendments made to the Local Autonomy Act (1956), because municipalities and prefectures often ended

up competing with each other over administrative authority. The word “basic” in the term “basic local government” refers to the principle of municipal prioritization whereby municipalities, as a self-governing body, should be given primary priority. Prior to decentralization reform, however, relations between wide-area self-governing bodies and basic self-governing bodies, like relations between the state and local governments, tended to be seen in a hierarchical light. For this reason, a relationship of equality and cooperation came to be legally guaranteed after decentralization reform was implemented, as can be seen in the statutory basic principles of engagement that emerged (Fig. 7.1).

Generally speaking, the positioning of metropolitan areas in a country’s system of governance is politically meaningful. In Japan as well, the metropolitan system has often been a point of political contention when thinking about local government classifications and the powers vested in local governments, which will be described below. Since before the Second World War, however, the six largest cities in the country (Tokyo, Yokohama, Nagoya, Kyoto, Osaka, and Kobe) have all sought greater autonomy and engaged in a campaign of cooperation with one another with the aim of realizing a special city system independent of prefectural

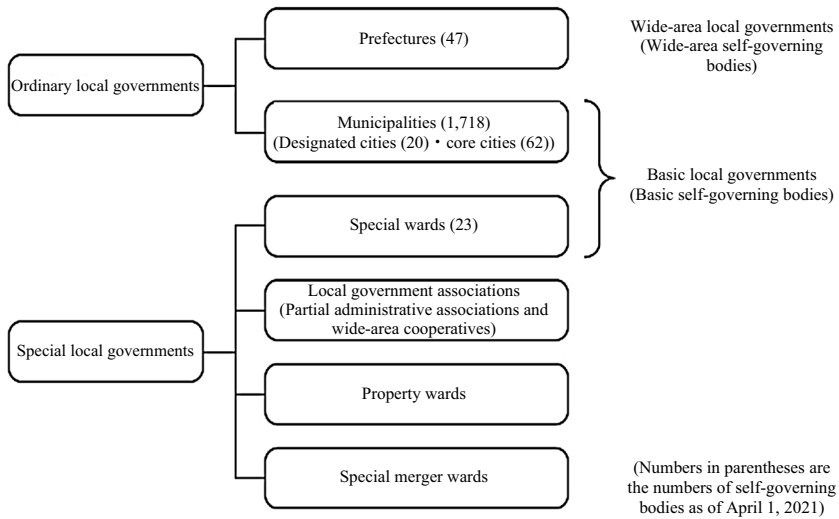


Fig. 7.1 Types of local governments

governments. Among these cities, Tokyo becoming the Tokyo metropolitan area (in 1943) as part of the wartime regime during the Second World War represented a turning point in Japan's system of metropolitan areas. These days, you can think about the metropolitan system in three parts, as below.

7.3.1.1 Special Wards System (Local Autonomy Act)

The first is the system of special wards under the Local Autonomy Act. Under this statute, special wards are positioned as “wards of the metropolitan area”. Tokyo was positioned anew as the “metropolitan area” under this statute after the post-war abolition of the aforementioned Tokyo metropolitan system. On the other hand, the wards that made up the metropolitan area of Tokyo were reorganized into special wards. The metropolitan system of local government has been applied only to the metropolitan area of Tokyo even though no statutory provision has explicitly prevented its application elsewhere.

In areas where special wards exist, the metropolitan government constitutes a wide-area local government that encompasses these special wards but is also tasked with, in addition to affairs that are generally handled by prefectures, “affairs deemed necessary to be handled by the metropolitan government in an integrated manner throughout the relevant area from the perspective of ensuring the integrity and uniformity of public administration in metropolitan areas with a high concentration of population”—in other words, metropolitan affairs. When it comes to metropolitan affairs, it should be noted that the metropolitan system differs from the prefectural and municipal systems in that water supply, sewerage, firefighting, urban planning, and other such affairs that normally come under the authority of a municipality are legally designated as affairs of the metropolitan area. The metropolitan area of Tokyo is an area with a concentration of tax and financial resources along with political, cultural, and socioeconomic functions. This is also why a metropolitan-ward fiscal adjustment system not found in relations between other prefectures and municipalities has been legally established. Relations between the metropolitan and ward governments are also under a state of severe tension over the allocation of fiscal resources.

7.3.1.2 Designated City System

Second is the designated city system. Even as the special city system that had been sought by major cities since before the Second World War was

provided for by the Local Autonomy Act at the time of its enactment, it invited serious conflict between the five major cities (six major cities minus Tokyo, which had become a metropolitan area) and the prefectures in which they were situated, and there was no realistic prospect for its realization. For these reasons, the designated city system was established in place of the special city system (in 1956).

The designated city system grants cities with a population of 500,000 or more, as designated by a government ordinance, the authority to handle key affairs coming within the jurisdiction of the prefectural government as an exception for major cities. When this system was first launched, it applied to the five major cities. It now applies to twenty cities across the country (Ohsugi, 2017).

Even after the designated city system was established, a movement to expand administrative authority remained in effect. In particular, there have been calls in recent years for, among other ideas, the realization of a system comparable to the former special city system. The implementation of the special city system, however, would mean that major cities would be effectively separated from and independent of prefectures, and thus represents a high hurdle both politically and in terms of administrative practice.

There is also, in line with the designated city system, a core city system under which cities with a population of 200,000 or more are designated core cities by a government ordinance. These cities number sixty-two at present.

7.3.1.3 Special Ward System (Special Act on Major Cities)

Third, there is the special ward system that is based on the Act on the Establishment of Special Wards in Large Urban Areas. This system is one under which relevant municipalities within the area of a prefecture are abolished and special wards are set up in their place.

This system was established when the law was enacted through legislation passed by members of the Diet as part of efforts to realize the Osaka Metropolis Plan to make Osaka into a metropolis as mainly promoted by the Osaka Restoration Association, a regional political party that endorsed this plan, and the Japan Innovation Party, a national political party affiliated with the Osaka Restoration Association. However, a proposal to dismantle Osaka City and establish a number of special wards was put to a referendum twice and narrowly rejected both times. In addition, no

movement to apply the same system elsewhere exists, which means that there are presently no examples in which the Act on the Establishment of Special Wards in Large Urban Areas has been applied.

7.3.2 *System of Coordination and Cooperation Among Self-Governing Bodies*

7.3.2.1 *Expansion of the Wide-Area Coordination System*

Wide-area coordination among self-governing bodies can be divided into the approach by which statutory affairs are jointly handled based on the Local Autonomy Act and the approach consisting of new wide-area links that utilize the foregoing approach but that are not based on statutes (Kimura, 2016).

First, statutory wide-area coordination is broadly divided into schemes that do not require the establishment of a separate juridical person and schemes that entail the establishment of a separate juridical person as a special local public body. Schemes that do not require the establishment of a juridical person include conferences, the joint establishment of organizations, the delegation of administrative tasks, tie-up agreements, and the substitute execution of affairs. Schemes that entail the establishment of a separate juridical person include special local governments consisting of partial administrative associations and wide-area cooperatives, which have already been described. In addition, it has become possible in recent years to utilize local incorporated administrative agencies as an approach to engaging in wide-area coordination (through amendments to the Local Autonomy Act in 2017).

In this context, “new wide-area links” refers to settlement and independence regions (launched in 2009) and cooperative core urban regions (launched in 2014). As of April 2022, 130 settlement and independence regions and 37 cooperative core urban regions have been established. These schemes establish one-on-one bilateral relations between a central city and adjacent municipalities based on daily life zones (for example, for a settlement and independence zone, an area closely tied to a central city, such as an area coming within a 10% commuting range) and upon taking the living conditions of residents and their vision for the future of the area into account. Furthermore, emphasis is placed on the participation of a

variety of key actors other than self-governing bodies, such as private-sector companies and NPOs, and on the process by which consensus is reached locally when forming a region. In the formation of regions based on the concept of settlement and independence regions implemented previously, most central cities constituted small- to medium-sized cities. With cooperative core urban regions, however, it was assumed that cities larger than core cities would serve as central cities, and the conclusion of the aforementioned tie-up agreement between central cities and constituent municipalities became a requirement.

Since the mid-2000s, Japanese society has been moving into an era of full-scale population decline. A crisis surrounding urban and regional issues grew increasingly dire due to population growth in big cities and widening regional disparities, as can be seen in the overconcentration in Tokyo. It was against this backdrop that the national government enacted the Towns, People, and Jobs Creation Act (2014) in an effort to promote local development with the aim of fostering a virtuous cycle of economic and social development. In a comprehensive strategy based on this act, settlement and independence regions and cooperative core urban regions were positioned as key actors in regional development together with individual self-governing bodies. These zones can be regarded as a Japanese version of “city regions” for the purpose of revitalizing local areas.

7.3.2.2 Evolution of Remote Coordination

In Japan, a major disaster-prone country, the Basic Act on Disaster Management and other laws and regulations have been set forth to govern systems of support and assistance to be provided among self-governing bodies in times of disaster. While cooperation is normally extended by adjacent self-governing bodies when a self-governing body is unable to respond to a disaster on its own, support from remote self-governing bodies came to be deployed through a variety of forms, including statutory schemes, in cases of natural disasters that cause extensive and enormous damage, like the Great East Japan Earthquake (2011). In anticipation of emergencies, many self-governing bodies routinely conclude disaster-relief agreements with remote self-governing bodies. This tendency became more pronounced especially after the Great East Japan Earthquake. Support and assistance provided in line with these schemes are effectively used in the event of disasters, like major earthquakes and floods.

In addition to links among remote self-governing bodies based on disaster-relief agreements, there have been many cases of sister city exchanges and other forms of coordination and interactions among self-governing bodies in this country for some time now. These typically involve unique initiatives among linked self-governing bodies that are independent of laws and regulations and other manifestations of national policy. In recent years, there has been a trend toward promoting coordination and interactions in various different fields, such as tourism, environment and energy, education, welfare, and industrial promotion, between urban self-governing bodies and rural self-governing bodies in conjunction with national initiatives for regional revitalization.²

7.3.2.3 Six Major Associations on Local Governments

There are six major associations that operate as national federations of self-governing bodies. They are composed of three administrative bodies made up of the heads of self-governing bodies—namely, the National Governor’s Association, Japan Association of City Mayors, and National Association of Towns and Villages—and three assemblies made up of assemblies (chairpersons)—namely, the National Association of Chairpersons of Prefectural Assemblies, National Association of Chairpersons of City Councils, and National Association of Chairpersons of Towns and Villages Assemblies.

These six major associations on local governments are permitted to exercise a right to submit opinions to the Cabinet and the right to submit written opinions to the Diet under the Local Autonomy Act. In particular, the Cabinet is legally required to respond without delay to any new national measure that requires that self-governing bodies carry out administrative tasks and assume burdens. These six major associations on local governments are also members of a National-Local Government Consultative Forum, which was enshrined into law in 2011 and whose meetings are attended by the prime minister and other key Cabinet ministers. At meetings of the National-Local Government Consultative Forum, opinions are exchanged on budgets and important policies pertaining to local interests, for example, measures to deal with the spread of COVID-19.

7.4 ORGANIZATIONAL STRUCTURE OF SELF-GOVERNING BODIES

The organizational structure of self-governing bodies comprises an administrative organization, which operates as an executive organ, and an assembly, which operates as a deliberative organ. The head of a self-governing body and the members of its assembly are each directly elected by residents (Article 93 of the Constitution) in what is known as a dual-representation system.

7.4.1 *Executive Pluralism*

The executive organ of a self-governing body is characterized by the fact that it consists of a head as well as the executive organs of many independent council systems known as committees and commissioners that have been established from the perspective of ensuring political neutrality, securing professional and technical expertise, and carrying out quasi-judicial and quasi-legislative functions. Rather than concentrating administrative authority in the head as a single organ, administrative authority is distributed to an extent through the establishment of committees and commissioners based on the Local Autonomy Act and other individual laws, and the head can engage in the overall coordination of executive organs as a whole. This approach to organizing executive organs is known as executive pluralism (Ohsugi, 2009).

7.4.2 *Heads and Executive Bodies*

The head of a prefecture is the governor while the head of a municipality is the mayor. Both are directly elected by residents for a term of four years each.

The main authorities vested in a head include the following: (1) the authority to control and represent the self-governing body, (2) the authority to manage and execute affairs of the self-governing body, (3) the authority to engage in overall coordination through executive organs as a whole, (4) the authority to enact rules, (5) the authority to appoint, dismiss, direct, and supervise staff, (6) the authority to revoke or suspend dispositions, (7) the authority to constitute organizations, and (8) the authority to direct and supervise public bodies. Among these authorities,

affairs coming within the scope of the head's managerial and executive authority encompass a general and extensive range of administrative tasks, including the submission of bills to the assembly, the drafting and execution of budgets, and the levying and collection of local taxes.

Auxiliary organs are established under the head. Within auxiliary organs, a vice-governor may be appointed for prefectures, or a vice-mayor may be appointed for municipalities, as the most senior official in a top management system together with the head. They assist the head, take charge of policy and planning as instructed by the head, oversee work carried out by members of auxiliary organs, and execute duties on behalf of the head.

Staff members are appointed to auxiliary organs. They are assigned to internal organizations comprising departments and sections or to local branch offices. The number of staff members is stipulated by ordinance and the appointment of staff members is governed by the Local Public Service Act.

The organization of administrative organizations comprising auxiliary organs is comprehensively and generally governed by the Local Autonomy Act. In particular, as decentralization progressed, old minutely drafted organizational regulations came to be abolished and the organization of individual self-governing bodies, with the exception of specific organizations that are subject to necessary regulations, came to be based on the right to engage in autonomous organization. A trend toward diversification in terms of the size of organizational units, the nature of administrative divisions, and the names of organizations has been observed in recent years.

7.4.3 *Local Assemblies*

7.4.3.1 *Organization and Authority of Assemblies*

Self-governing bodies have an assembly, which consists of representatives that are, like the head, directly elected by residents (Ohsugi, 2008b; Nakamura, 2016). As in national elections and in accordance with the Public Office Election Act, members of prefectural assemblies and members of the assemblies of designated cities are elected according to the number of votes received per constituency and members of the assemblies of all other municipalities are elected according to the number of votes

received with the entire area treated as a single constituency in general. The term of office is, as it is for the head, four years. As an exception, a town or village can pass an ordinance to establish a general assembly composed of those who possess the right to vote without having to set up an assembly. However, there are currently no real-world examples of such an arrangement.

Assembly members are subject to restrictions on holding concurrent positions and offices, such that they cannot hold concurrent positions as a member of the Diet, the assembly of another self-governing body, or staff member of a self-governing body. In addition, a ban on contracting with the self-governing body to which an assembly member belongs is also imposed from the perspective of ensuring fair assembly operations and the proper execution of affairs.

The main powers of an assembly are as follows: (1) voting cases, such as enactment, amendment, or abolition of ordinances, budget resolutions, the approval of accounts, the levying and collection of local taxes, the conclusion of contracts, and those which an assembly is permitted to expand its powers by adding matters that can be put to a vote, (2) elections for the chairperson, deputy chairperson, and other office holders within the assembly, (3) amending budgets submitted by the head, (4) requests for inspections and audits to look into the administration of affairs, the execution of resolutions, and receipts and disbursements by inspecting documents and books of accounts related to the affairs of the head and other executive bodies under its authority and requesting reports from them, (5) submission written opinions on a case related to the public interest of the self-governing body in question to the Diet or a relevant administrative agency, (6) investigation for the affairs of the self-governing body in question by requesting the appearance, testimony, and submission of records of electors and other concerned parties.

While residents' interest in assemblies is relatively low, the role of assemblies is large relative to the volume of activities undertaken by self-governing bodies in Japan, such that the shortage of assembly members in smaller self-governing bodies is worsening due to the demand for dedicated activities. Given the need to ensure local democracy and adequately fulfill functions as a check on public administration, more and more assemblies are carrying out assembly reforms.

7.4.4 *A Relationship of Checks and Balances Between the Head and an Assembly*

The full adoption of a system of dual representation by an advanced democratic country as a basic structure for the organization of self-governing bodies is rare. While the adoption of a system under which the head is directly elected by the public has become common in Germany (Ruge & Ritgen, 2021, p. 137), a system with elements consisting of a city council and mayor has been adopted by only half of all cities in the United States. In the United Kingdom, the direct election of mayors by the public is considered but one option for self-governing bodies. The option of selecting a full dual representation system belongs to the minority (Ohmori & Ohsugi, 2021, pp. 70–71).

For a relationship of checks and balances between the head and an assembly based on the characteristics of the dual representation system (Ohmori & Ohsugi, 2021, pp. 83–87), there are, first, provisions governing the treatment of resolutions and elections by the head and provisions concerning reconsideration and reelection (A). If the head has objections to the enactment, amendment, or abolishment of an ordinance or a budget resolution passed by the assembly, he or she may submit the matter for reconsideration except where otherwise provided by law ((1)). If a resolution or election by the assembly exceeds its authority or contravenes a law or regulations or the rules of the assembly, the head must make the assembly reconsider or hold reelection held ((2)(a)). If there is a resolution that cannot be executed in connection with proceeds or disbursements or if a resolution to delete or reduce expenses incurred pursuant to a law or regulations, expenses incurred for emergency or restoration facilities due to an emergency or disaster, or expenses incurred to prevent infectious diseases, the head must submit the matter for reconsideration by the assembly ((2)(b)(c)).

Second, there are provisions governing votes of non-confidence in the head and the dissolution of the assembly (B). A vote of non-confidence in the head can be made by the assembly and the head can respond by dissolving the assembly as a countermeasure.

In addition, there are provisions governing arbitrary dispositions by the head. The head can dispose of matters to be resolved if the assembly

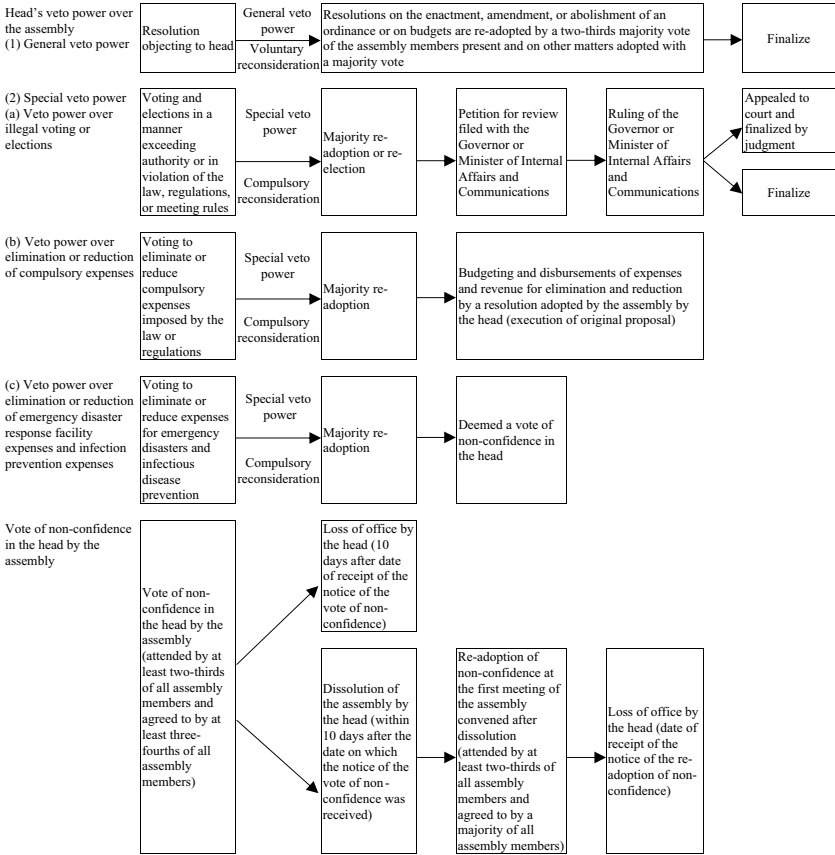


Fig. 7.2 Checks and balances between an assembly and the head. (Source: Figure 2.1 in Ohmori and Ohsugi (2021))

cannot be formed, if a meeting cannot be held, if it is clear that there is no time to convene a meeting of the assembly due to a matter of particular urgency, or if a case to be voted on by the assembly is not put to a vote (Fig. 7.2).

7.5 CONCLUSION

As decentralization has been moving into high gear since the turn of the century, the philosophy of local autonomy, which had been generally guaranteed on an institutional basis by the Constitution, has become embodied, for example, in the form of community development undertaken through participation and collaboration by local residents. While the country went through periods of thorough administrative and financial reforms under severe long-term financial conditions in the years after the collapse of the bubble economy, it is clear that the management of self-governing bodies was deployed in diverse ways in different locations to the extent allowed by the availability of limited resources.

On the other hand, Japan is a disaster-prone country affected by earthquakes, floods, and more. It is also a country at the forefront of global challenges in terms of aging and the process of transitioning to a society with a shrinking population. The Japanese response to the COVID-19 crisis revealed that the digitalization of public administration in this country was lagging behind other advanced countries.

We cannot expect to see these challenges, which Japan is facing, dealt with in a sufficient manner with just the top-down solutions that have been presented thus far by the central government. The future of local autonomy will likely require that local governments deploy principles of open innovation based on the will of the local community while aiming to shape a society rich in diversity in line with actual local conditions while various actors collaborate with one another.

NOTES

1. For general discussion of intergovernmental relation cf. Chapter 5, and for educational system cf. Chap. 6. Various publications of the Council of Local Authorities for International Relations are useful as materials for introducing areas of local government in Japan to overseas audiences. <http://www.clair.or.jp>
2. For actual examples of remote coordination among self-governing bodies, see Tokubetsuku Kyogikai, ed. (2017) and the Japan Municipal Research Center (2017).

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The Welfare State in Japan

Toshiya Kitayama

8.1 INTRODUCTION

Can Japan be classified as a welfare state? If so, why and how? Both experts on Japan and welfare state students have asked this question. In Varieties of Capitalism (VoC) literature, Japan is classified as one of firm-specific coordinated market economies (Hall & Soskice, 2001). However, according to welfare state classification (Esping-Andersen, 1990), locating Japan among the three worlds of welfare capitalism is difficult (Miyamoto, 2003).

In terms of social spending, Japan is not at the same level as Nordic countries. It is not even at par with the conservative welfare state of Germany, although it is now ahead of the United Kingdom and the Netherlands. However, in terms of commitment to full employment and universalism in healthcare and pensions, Japan is similar to Nordic countries. Simultaneously, the Japanese have different health insurance and pension systems based on their occupation, similar to a conservative welfare state.

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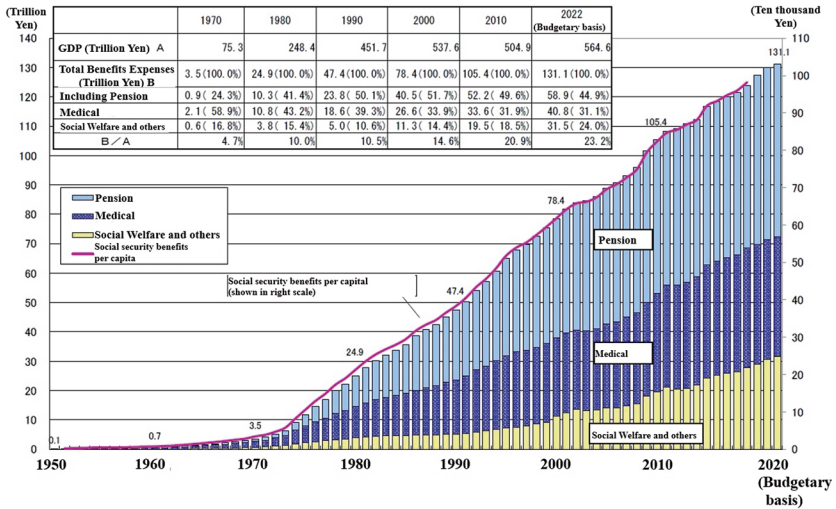


Fig. 8.1 Social security benefit expenditures. (Source: <https://www.mhlw.go.jp/content/000973207.pdf>)

In the following section, I attempt to explore this ambiguity by examining the relevant historical developments in Japan. Figure 8.1 shows overall changes in social security benefit expenditures.

8.2 MEDICAL AND LONG-TERM CARE INSURANCE

Following industrialisation in the early twentieth century and the increasing industrial conflict and mass movement caused by rice shortages, the Imperial Diet passed the Health Insurance Act in 1922. Under this law, large firms formed health insurance associations for blue-collar workers, whereas the national government became an insurer for those working in smaller firms. This was under the direct management of the government (later in 1962, the Social Insurance Agency). However, because of the Great Kanto Earthquake of 1923, the act was not fully implemented until 1927.

In 1938, the government enacted the National Health Insurance Act for those who were not covered by any existing associations, mainly farmers and the self-employed. This stemmed from a suggestion to have medical insurance for these groups, as they comprised the military, which

needed healthy soldiers. As there were no models to learn about regional medical insurance associations, the bureaucrats in the Ministry of the Interior came up with the idea of organising the associations along with the municipality units. The associations were neither mandatory nor were residents obliged to join. However, at the end of the 1943 fiscal year, the associations were organised in 95% of the municipalities.

In 1939, the Act for White-Collar Workers was enacted, and in 1942, it was integrated with the Health Insurance Act. This had some impact on post-war enterprise unions, which included both white- and blue-collar workers.

This scheme became the basis of the health insurance system in Japan: firm-based health insurance associations for employees of larger firms, for both blue- and white-collar workers; state-run health insurance for workers in smaller firms; and municipality-based associations for the rest. In 1948, after World War II, the municipal government itself became the insurer, and national and prefectural tax was added in the National Health Insurance account (20% in 1953, 25% in 1958, 35% in 1962, 45% in 1966, and 50% in 1984). In 1960, the new law stipulated that all municipalities were required to establish national health insurance, requiring those who did not have insurance to join, thereby realising a universal health insurance system for all Japanese.

The Japanese system is similar to the German system in that social security is based not on taxes, but on insurance fees and that there are many health insurance associations. However, the Japanese system is different because insurance is based on firms and government (both national and local governments) and taxes are added in the accounts of the National Health Insurance. This made it possible for Japan to provide universal healthcare much earlier than Germany.

Aoki finds that in Europe, supra-enterprise bargaining between labour and management developed and continued as an institutional inertia (Aoki, 1987). On the other hand, because of a late-developer effect, there was no institutional inertia to hamper the formation of enterprise-based unions. The same can be said about the formation of no supra-enterprise health insurance but enterprise health insurance.

Around the time when health insurance was made available to every Japanese person, the economy was growing at a high speed, which meant that the annual tax revenue increased every year. With this, the government increased the ratio of taxes to pay into National Health Insurance

and gradually decreased the co-payment amount of the insured and dependents. In 1973, with another decrease in co-payments, a high-cost medical care insurance system was introduced. This system required the national government to pay recipients when their co-payment exceeded a certain amount. The amount of money that they received depended on their age and income. This further increased the percentage of tax revenue in the medical insurance system.

In those days, a more salient issue was free medical care for the elderly. Under pressure from the welfare policies of popular left-wing mayors and governors, the national government responded by making medical services for the elderly free in 1973. However, the oil shock of 1973 changed the mood for generous welfare policies, both national and local. The municipal governments, in particular, had difficulty managing the National Health Insurance as they had an increasing number of elderly citizens in their accounts. As employees of large firms retired, they left their firm-based health insurance associations to join the municipal National Health Insurance.

In 1982, the Elderly Healthcare Act was enacted with the support of local governments. This law made it possible to finance healthcare for the elderly through contributions from other insurances, such as those for employees, thereby reducing the National Health Insurance's burden. At the same time, no co-payment policies for the elderly were abandoned at the national level.

In 1997, the Long-Term Care Insurance Act was enacted for the care of frail elderly citizens, partly because women who were supposed to take care of the elderly in Japan supported the idea. Municipal governments also supported this, wishing to reduce their deficit in the National Health Insurance account. However, the municipal government became the insurer and was responsible for managing long-term care insurance. After all, they had experience and knowledge of running health insurance. Municipalities were thus 'locked in' to this health insurance development path (Kitayama, 2011).

Another reform of the National Health Insurance was 'layered' along with existing insurance in 2008. Citizens aged 75 years and older left the National Health Insurance to join the new healthcare associations, set up in each prefecture and responsible for the operation of the healthcare system in their respective prefectures. These associations for the old-old

8.3 PENSION

The pension policy in Japan also dates back to the pre-war period. The Workers' Pension Insurance Act for blue-collar workers in larger firms was enacted in 1941 under German influence. In 1944, it was renamed the Employees' Pension Insurance Act to include white-collar workers. Here again, blue- and white-collar workers were included in one insurance scheme. In 1959, the National Pension Act was enacted for the rest of the citizens, such as the self-employed and farmers. Thus, in 1961, the universal pension system was made possible nationally because the government provided insurance to the rest of the population. It also meant that the government abandoned the idea of one National Health or Pension Insurance, in which everyone was enrolled. Everyone was covered, but not in the same plan.

This system was partially revised in 1985. Under the new National Pension Act, Employees' Pension, National Pension, and other pensions, such as those for public employees, were partly integrated into the national pension, so that every Japanese person joined the national pension system, from which they received the basic pension. Employees would receive additional pensions from the employees' pension. Their pensions were proportional to their salaries. This is an eclectic system that combines the German pension system, which is occupation- and insurance fee-based, and the Nordic state-run tax-based pension system.

Unlike health insurance, the pension system successfully, if not entirely, integrates national and employee pensions. The reason they could do so was that both Employees' Pension and National Pension were state run, whereas the health insurance system consisted of thousands of municipal governments (Kitayama, 2011).

8.4 WELFARE POLICIES

In 1874, seven years after the Meiji Restoration, an imperial ordinance was promulgated to provide the very poor with rice. In 1890, the Meiji government submitted a bill to help the poor; however, the Imperial Diet, representing the interests of landlords, did not pass it (Furukawa & Kaneko, 2009, p. 42). The Act for Welfare for Needy People was finally passed in 1929 as the Public Assistance Act. Under the act, municipalities were responsible for taking care of such citizens. The state would provide

half the money spent on them as a subsidy, and the prefecture would provide one-fourth.

This system was changed through the post-war occupation reforms by the General Headquarters of the Supreme Commander of the Allied Powers. Article 25 of the new Constitution of Japan stipulates that ‘All people shall have the right to maintain the minimum standards of wholesome and cultured living. In all spheres of life, the State shall use its endeavours for the promotion and extension of social welfare and security, and of public health’. The national government is responsible for ensuring the minimum living standards for the people in the Public Assistance Act which was newly enacted in 1946. However, public assistance was implemented as an agency delegation function in which providing welfare to the needy was delegated to the publicly elected mayor of the city as an implementing agency of the National Ministry. Governors of prefectural governments had to take care of the needy in towns and villages. The national government paid 80% of these costs as welfare contributions to cities and prefectures.

At approximately the same time, the Child Welfare Act and Physical Disability Welfare Act were enacted (in 1947 and 1949, respectively). Together with the Public Assistance Act, welfare administration was called the Three Welfare Acts system, which became the basis of welfare policies. This was heavily influenced by the New Dealers of GHQ. In the 1960s, three more acts—the Mental Retardation Welfare Law, the Elderly Welfare Act, and the Act on Welfare of Mothers with Dependents—were added and the system renamed the Six Welfare Acts system. As mentioned previously, universal healthcare and pensions were implemented in the 1960s.

In 1970, the Basic Law for Measures against Mental and Physical Disorders was enacted to clarify the responsibilities of national and local governments and to specify various measures to be taken for those with disabilities. Later, in 1993, the idea of normalisation and international pressure prompted the legislature of the Basic Act for Disability. The cost was borne by municipal governments with state subsidy (50%) and prefectural subsidy (25%).

In 2000, the agency delegation function was abolished because it was regarded as a symbol of a centralised country. Some of the functions became local governments’ functions, others became ‘legally delegated functions’, a new term for a delegated function, although of a more

decentralised nature than an agency-delegated function. Public assistance is now a legally delegated function, which means that the local government administers (city and prefecture) with 75% of the expenditure covered by the national government (the rate of state subsidy was lowered in 1980s from 80% and fixed at 75% in 1989).

Figure 8.3 shows annual changes in the number and rate of public assistance recipients. Both declined until the mid-1990s when the bubble economy collapsed. They then rose several years after the international financial crisis caused by the Lehman Brothers’ bankruptcy in 2008. The number of recipients was a little more than two million, and the percentage of welfare recipients to population was 1.63% as of 2021.

There are eight types of public assistance: livelihood, education, housing, medical, long-term care, maternity, small businesses, and funerals. As half of the recipients were older than 65 years in 2020, medical assistance comprises more than half of the overall assistance, and this is a controversial issue.

Expenditure on social welfare was low given developments outside welfare policies, as discussed below.

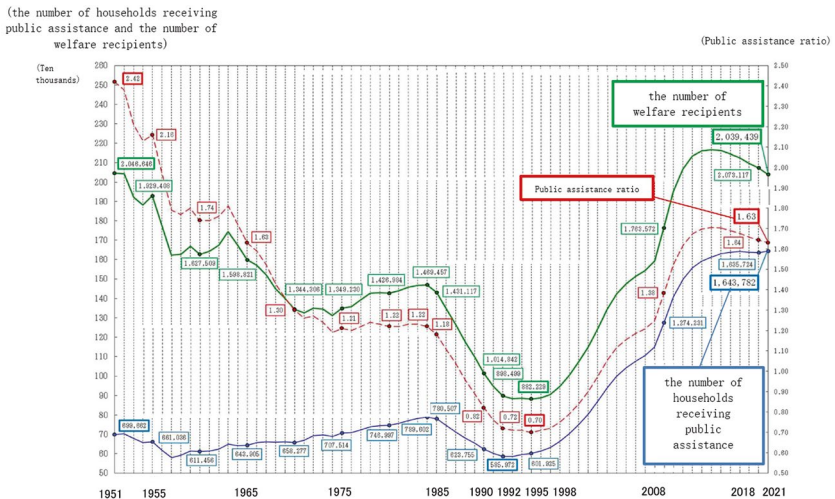


Fig. 8.3 Annual changes in the number of welfare recipients, public assistance ratio, and the number of households receiving public assistance. (Source: <https://www.mhlw.go.jp/content/12201000/000908527.pdf>)

8.5 WELFARE THROUGH WORK

One characteristic of the Japanese welfare state is the general welfare provided through work (Miura, 2012). This takes various forms and demonstrates that welfare policies in a narrower sense are not sufficient to understand the overall welfare provided to the Japanese. We need to examine not only the welfare regime but also the employment regime (Miyamoto, 2021).

First, in large Japanese firms, three sacred treasures were secured through intense post-war labour struggles: lifetime employment, the seniority wage system, and firm-level labour unions. Before the war, lifetime employment and seniority wage systems were allowed only for white-collar workers in large firms but were extended to blue-collar workers. Given these customs, workers acquire firm-specific skills through on-the-job training. They demanded employment security and knew that their skills would not be used if they were redundant. Firms became reluctant to fire workers, which might induce intense labour struggles, so they attempted to keep workers by dispatching them somewhere inside the firms. Firms maximised the potential of their multi-skilled workers to produce competitive consumer goods.

Large firms are also where their workers' health insurance and pensions are based, as mentioned. These firms pay family and housing allowances as well, with some providing low-cost housing for their employees. This has helped develop the internal labour market and maintain a low unemployment rate.

Second, the government developed various policies regarding small- and medium-sized enterprises (SMEs). Public financial institutions for SMEs provide low interest rate financing, and local governments established credit guarantee associations to guarantee the credit. They also created various public testing and research centres in Japan for SMEs (Kitayama, 1995). Additionally, the regulation of large-scale stores protected mom-and-pop stores.

Third, various agricultural policies—particularly rice policies—protect farmers. Import restrictions, food purchase systems, and subsidies for production reduction complemented the farmers' income. Farmers in rural areas have benefitted from various public construction projects that provide jobs for construction workers and traffic guards. The Japanese government was committed to achieving full employment (even if only because politicians wished to be re-elected).

As long as the Japanese economy was in good shape, spending on unemployment benefits and public assistance was low because the employment regime prevented people from turning to welfare. This employment regime is partly private in the sense that the Japanese management system was constructed through post-war labour struggles after post-war reforms, such as the dissolution of *Zaibatsu*. However, policies for SMEs, farmers, and public construction projects belong to the public sphere. As mentioned, the national health insurance, which was designed by the national government and managed by local governments, and the national pension system for those who are not employed by firms are also working to prevent farmers and self-employed persons from becoming poor.

In this way, welfare and employment regimes jointly support the overall welfare of the Japanese people. This narrower concept of the welfare state does not accurately capture Japan's reality (Estévez-Abe, 2008). Now to return to the questions raised in the beginning of the chapter, three things are in order.

First, Japanese firms and families play important roles in the overall system; however, the government also plays a vital role. Japan learned from the German experience and started health insurance for blue-collar workers, but it was based on the firms and later covered both blue- and white-collar workers. Note that German capitalism is categorised as the coordinated market economies with industry-specific skills in VoC literature, while Japan is categorised with firm-specific skills.

Then, the government became an insurer for SME workers. Furthermore, National Health Insurance started to cover farmers and self-employed individuals in municipal units. In the post-war period, the municipal government became the insurer of the National Health Insurance, and finally, the national government passed the Act to make all municipal governments run them, thereby realising universal health insurance. The central government became the insurer of both Employees' Pensions and the National Pension system. This is the history of the departure from the German model.

Second, although the Japanese welfare state relies not on taxes but on insurance fees, it established a universal healthcare and pension system by mixing tax and insurance fees and attempted to achieve full employment with the help of its agricultural policies, SME policies, and public construction projects. The Japanese management system for large firms, which provides employment security for core workers, is instrumental in lowering the unemployment rate. Employment security is not just a

private practice, as labour law supports the basic idea. This universalism and the role of taxes are similar to the social democratic welfare states in Scandinavian countries.

Third, because of all these combined elements, welfare payments were not very high in post-war Japan. The population was young, the GDP was still relatively low, and the economy was good. Here, the Japanese welfare state looked like a liberal welfare state, but as the population aged, GDP and social spending increased.

The Japanese experience shows that Japan developed its welfare state by learning from and introducing elements from other countries' experiences (Kasza, 2006). Despite its conservative nature, the Liberal Democratic Party, a long-governing party, has pursued a welfare state. 'The LDP pledged to build a welfare state at the party's founding, and, despite occasional rhetoric to the contrary, it actively pursued that end' (Kasza, 2006, p. 58).

8.6 WELFARE CUT SINCE THE 1980S

Along with other industrialised countries, the Japanese economy suffered two oil shocks, but somehow managed to strengthen it by growing from light and heavy industries to high-tech and value-added industries. Japan also has fiscal problems owing to decreasing revenue and increasing expenditures for overall welfare. A few cabinets aimed unsuccessfully at introducing a consumption tax, and administrative reforms became a dominant issue in the 1980s. Along with the privatisation of railways, telecom, and other services, efforts were made to cut welfare expenditures.

In 1982, free medical care for the elderly ended. Since 1984, insured persons of the health insurance associations themselves have to make co-payments in clinics and hospitals. In 1986, the basic pension for all Japanese began, partly to alleviate the burden of the national pension system, and pension benefits were reduced. In the 1990s, the age at which one could receive a pension began to rise, and medical co-payments increased.

Since 2003, co-payment of the insured persons of the health insurance associations has risen to 30%, the same ratio for insured persons in National Health Insurance, thereby realising the equity in co-payment, if not in the insurance rate.

8.7 STRUCTURAL REFORMS IN SOCIAL WELFARE

Simultaneously, there were movements for reform in social service governance to prepare for the twenty-first century, when Japan would no longer have an ageing society. Several of these acts were revised in 1990. The basic idea was to create a system in which home welfare services and institutional welfare services are provided in a detailed, integrated, and systematic manner in municipalities, which were regarded as the closest to residents. This meant municipality-centred social welfare provision. This is decentralisation in the sense that municipal governments have more authority in various forms of social welfare delivery. Meanwhile, both municipal and prefectural governments were required to make elderly care plans. This meant more control from above and less freedom for local governments. Thus, welfare reforms were accompanied by simultaneous decentralisation and centralisation.

In 1994, based on local plans, a new Gold Plan for the elderly was established at the national level. In 1994, low fertilisation was also a big problem; thus, the Angel Plan, which included community childcare support and the development of childcare services, was implemented.

In 2000, after long deliberations at the national council, the Social Welfare Act was passed by the Diet to realise the basic structural reform of social welfare. It had four elements. First, it aimed for services that emphasise personal dignity. The use of welfare services has been reformed from a system of administrative measures to a system of contracts for the use of services, which enables the selection of services based on the will of the user and an equal relationship between the user and service provider. Second, increased quality of services was emphasised. Third, diverse entities were introduced into social welfare services. These included non-profit organisations (NPOs) and corporations. Some call this a quasi-market system, in which users can choose among providers. Fourth, community welfare provisions were promoted. This included transfers to municipalities of certain jurisdictions, such as welfare for the mentally challenged.

In 2005, the Long-Term Care Insurance Act was revised to establish a Community Comprehensive Support Centre in each municipality. Municipal governments are responsible for constructing integrated community-care systems. According to the Ministry of Health, Labour and Welfare, there were 5404 centres in Japan as of April 2022.

8.8 CHANGES SINCE 1990S

The post-war practices of the Japanese socio-economy have been under attack, particularly since the bubble economy burst in the 1990s, and the employment regime, once praised for its economic success, has been criticised as outdated.

First, large firms still employ core workers who enjoy long-term employment and seniority wage systems, but they have attempted to hire more irregular workers with cheaper wages and no privileges for core workers. This implies that more people are working without employment security.

Second, the problems of an aged society and a low birth rate have become more serious. Nuclear families are becoming increasingly common and people can no longer rely on core family members to raise children or care for the frail and elderly. Here, responses to childcare and long-term care have been different.

Schoppa (2008) explains these different policy responses using Albert Hirschman's concepts of exit and voice. In the case of childcare, some women chose the exit option, becoming full-time homemakers by quitting their jobs or becoming full-time workers without having children. This option decreases the chances of the voice option for building more childcare facilities. Meanwhile, in the case of long-term care, women had no exit options because they could not escape long-term care for parents. The no exit situation strengthened the voice for socialising long-term care in the form of the Long-Term Care Insurance Act.

Third, what are public policy responses to lower unemployment rates? We argue that agricultural policies, SME policies, and public construction projects were instrumental in this. However, some changes have been made to these policies. The electoral reforms of the 1990s were responsible for this change.

This reform took the form of a change from a single non-transferable vote (SNTV) to a mixed-member majoritarian vote (MMM) in the 1990s (Rosenbluth & Thies, 2010). Under the SNTV system, in which three to five politicians were elected from one electoral district, there was intense competition among politicians from the same party, particularly the governing Liberal Democratic Party. They could not resort to party platforms or ideologies and were led to appeal to material interests. This explains the various policies in agriculture, for SMEs, and the construction industry. The electoral district was changed to a single-member district, so politicians were led to respond to median voters. Median voters, typically

taxpayers and consumers, do not want costly pork barrel policies aimed at these interest groups. The MMM has promoted more programmatic, majoritarian, and less egalitarian governments, according to Rosenbluth & Thies.

Furthermore, these policies have been criticised abroad. In the 1980s, trade disputes with the United States led to reforms in agricultural protectionism and the retail industry. These political changes brought about changes in the employment regime, which had an intense impact on the overall welfare of the Japanese people.

8.9 CONCLUSION

This chapter addresses historical developments in the Japanese welfare state. It describes specific ways of combining insurance fees and taxes, social insurance and public policies for universalism. It began under German influence, although the army and conservative governments pursued welfare development, some in the area of health insurance and pension insurance and others in public policies for agriculture, SMEs, and public construction works. These public policies are supported by the employment practices of Japanese businesses. One cannot understand the Japanese welfare state without analysing welfare and employment regimes simultaneously. This system has undergone several changes since the 1990s as well.

The present welfare regime includes not only decentralisation, as more functions are delegated to municipalities, but also centralisation, in that municipalities are required to do so. Welfare services are more likely to be delivered by local governments, and this trend is becoming increasingly prevalent.

Another feature is the quasi-market. The number of service providers has increased and users of social services can choose between long-term care providers and childcare facilities. The idea behind this was to transform service provision through administrative unilateralism into a mutual contract.

The Japanese welfare state has been challenged by changes in its employment regime. More Japanese people are facing new social risks as a result of the economic and social changes associated with the transition to a post-industrial society (Taylor-Gooby, 2004). To combat these risks, the Act for Supporting the Self-Reliance of Needy Persons was promulgated in 2013, and various assistance measures were taken to ensure the self-reliance of those citizens. It aims to increase individuals' earnings capacity.

New attempts have been made to improve childbirth and childcare. The Child and Child Care Support Act of 2012 came into effect in 2015. The central government started free childcare and early childhood education in 2019. Various local governments introduced the Child Medical Expense Subsidy System, in which they paid co-payments and medication expenses for children. Local governments have also sponsored marriage activities to encourage marriage and childbirth.

Here, the title of a chapter on the Danish local government and its welfare state, ‘Denmark: Between Local Democracy and Implementing Agency of the Welfare State’ (Blom-Hansen & Anne, 2011) is suggestive. Japanese central-local relations also show the delicate balance between the two as we saw the simultaneity of centralisation and decentralisation. The Japanese local government has been not just implementing agency but also the sources of the local initiatives in various policy areas.

It remains to be seen whether the welfare regime can adapt to changes in the employment regime and solve the problems of an aged society and a low fertility rate, given the change to MMM electoral system.

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Politics and Administration in Japan

Akiko Izumo

9.1 INTRODUCTION

When considering the relationship between ‘politics’ and ‘administration’, examining the interlocking between the executive system and policy process and between the executive and civil service systems is crucial. After World War II, Japan’s new constitution adopted a parliamentary cabinet system in which members, appointed primarily by the parliament, occupy the upper layers of the executive branch and control the bureaucrats of each ministry. However, given the strong influence of bureaucrats in Japan’s policy process, bureaucratic leadership has traditionally been highlighted in the literature (Tsuji, 1969). In contrast to the parliamentary cabinet system, the ‘bureaucratic cabinet system’ expression is present, metaphorically capturing bureaucrats’ cabinet leadership (Iio, 2007). The restoration of this bureaucratic cabinet system to the original parliamentary cabinet system has been discussed in terms of the relationship between politics and administration.

Section 9.2 examines politics and administrative relations from the perspective of the linkage between the executive system and the policy

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process. It applies Aberbach et al.'s (1981, pp. 4–23) typology to the relationship between politicians and bureaucrats in the Japanese policy process from the perspective of the type of relationship built by the four main actors—the ruling party politicians, politicians in the executive government, ministerial bureaucrats, and bureaucrats working in the *Kantei* (called *Kantei* bureaucrats).

Historically, bureaucrats have had an advantage over politicians. Gradually, however, political party organisations strengthened their policy functions and gained a strong influence, partly because the same political party was in power for a long period. Consequently, a mutually antagonistic collaborative relationship developed between politicians and bureaucrats in the policy process. Whether this collaborative relationship is an intervention by politics or a cooperation between politics and administration must be debated (Demir, 2009, pp. 511–516).

Concomitantly, one of the Japanese executives' characteristics is that the ruling party's support for the Prime Minister and other members of the Cabinet is unstable. Within political parties, groups—that is, factions (*Habatsu*)—are formed based on political beliefs and the history of their predecessors in constituencies. In particular, the Liberal Democratic Party (LDP) promoted discussion within the political party through competition between factions, and gradually, the factions became responsible for coordinating conflicts between ministries and agencies (Inoguchi & Iwai, 1987, p. 22). Depending on the factional rivalry structure, the faction that elected the Prime Minister was sometimes a minority and did not receive sufficient support. Therefore, when it comes to strengthening its functions in Japan's governance system, the question is whether the Cabinet can exercise leadership over both the bureaucracy and the ruling party.

The political power and policy initiative that can confront the bureaucracy and the ruling party depends on the strength of the role played by the Prime Minister's Office (*Kantei*). Therefore, efforts have been made to strengthen the organisation and personnel assisting the Cabinet. Section 9.2 concludes with a discussion of recent developments in how the *Kantei* has involved bureaucrats in leadership.

Section 9.3 examines politics and administrative relations from the perspective of the linkage between the administrative and civil service systems. Under the civil service system, there is a distinction between political and qualification appointments; in principle, political support for the Prime Minister and Cabinet is provided by political appointments. In Japan, the first group of political appointees are ruling party

representatives, while the second group consists of bureaucrats seconded from ministries into the Cabinet Secretariat. However, their numbers and field of activity are limited, making it a 'limited political appointment system' (Izumo, 2014, p. 85).

When considering the collaborative relationship between politicians and bureaucrats, as discussed in Sect. 9.2, qualified bureaucrats may interact with politicians in the policy process as functionally political bureaucrats. Such functional political roles, as opposed to institutional political appointments, represent personnel management issues. In Japan, personnel management adopts a closed-career appointment system that assumes long-term employment and human resource development. Particularly, those who pass the recruitment examination category, trained as executive candidates, are 'career-track bureaucrats', promoted to successively significant positions within the ministry (for 'career track' system cf. Chapter XVII) (Muramatsu, 1981, pp. 69–70). Promotions consider factors such as contribution to policy, degree of achievement, and coordination ability and are not premised on political influence. Senior positions have a promotion pattern based on a specific work experience route. However, the mass media sometimes reports political influence when personnel are unusually made in light of past practices.

With the establishment of the Cabinet Personnel Bureau in 2014, consultations with the Prime Minister and the Chief Cabinet Secretary were introduced when ministers appointed and dismissed senior civil servants. The increasing influence of the two leaders on bureaucratic appointments has been pointed out (Carlson, 2020, p. 36), and the impact on functional political appointments is debated.

Section 9.4 examines the relationship between politics and administration in subnational governments. Prefectural governors and municipal mayors appoint some political positions, such as deputy governors and mayors. These human resources are either promoted public officials or dispatched bureaucrats of central ministries and agencies. The dispatch will explain one of the characteristics of intergovernmental relationships of human networks, politics, and administration.

9.2 POLITICIANS AND BUREAUCRATS IN THE POLICYMAKING PROCESS

In a parliamentary system, politics and administration intersect within the executive branch. Here, ministers are, in principle, members of the ruling party. In Japan, vice-ministers and parliamentary vice-ministers are similarly appointed by the ruling party to political positions to assist ministers, constituting each ministry's executive branch, thus forming the ministry's top three executives. The administrative vice-minister, the top professional civil servant, is placed immediately below them. Further down, a hierarchical, bureaucratic structure is organised, such as the minister's secretariat, each bureau, and each department.

The top three executives are appointed to implement Cabinet policies in each ministry. Bureaucrats are presented with policy goals and directions; they formulate policies based on their expertise and present their options to the executives. Executives monitor the bureaucratic policymaking process and seek revisions where necessary. Options are decided upon as a Cabinet policy through coordination with the minister, ministers of other ministries, bureaucrats, and the Prime Minister's Office.

Aberbach et al.'s typology (1981, pp. 4–23) includes four types of theories on the division of roles between politicians and bureaucrats in the policy process. Within these types, politicians and bureaucrats initially played different roles. However, they gradually participated in the policy process together, their roles becoming indistinguishable (Table 9.1).

Images II and III represent turning points in the current relationship between politicians and bureaucrats. In Image II, politicians emphasise responses to voters in their constituencies and political sensitivity, whereas bureaucrats emphasise neutral expertise and policy efficiency. In Image III, politicians and bureaucrats participate in politics where interests are concentrated. However, while politicians seek to bring together the diffused interests of unorganised individuals, bureaucrats coordinate the interests of narrowly organised clients (Aberbach et al., 1981, p. 9). Aberbach et al. argue that Image III depicts reality and bureaucrats have already gone beyond technical values, such as neutrality and expertise, to consolidate interests, which was originally the role of politicians.

Based on the above typology, Muramatsu and Krauss (1984, p. 126) criticised the traditional view that bureaucrats lead the policy process with. They advocated the party dominance theory, stating that ruling party politicians have an advantage over bureaucrats as the LDP continued to rule

Table 9.1 Typologies and the relationship between Japanese politicians and bureaucrats

	<i>Image I</i>	<i>Image II</i>	<i>Image III</i>	<i>Image IV</i>
Politicians	Polymaking	Precinct voter responses and political sensitivities	The divided interests of unorganised individuals	Indistinguishable between the two
Bureaucrats	Policy implementation	Neutral expertise and policy efficiency	Narrowly focused and organised customer interests	
Application to Japan	—	Officer-type bureaucrats	Coordinator-type bureaucrats, political bureaucrats	Kantei bureaucrats

Source: Aberbach et al. (1981, pp. 4–23) and this chapter's description

for a long time. In the LDP, establishing the Policy Affairs Research Council (PARC) progressed from the late 1950s and the late 1960s to the 1970s and specialised policy discussions progressed in the PARC's policy divisions. On this occasion, representatives of the ruling party received explanations directly from bureaucrats regarding new laws and the purpose of amendments, while the bureaucrats took questions and requests from them and, in some cases, revised bills. Prior approval of the LDP's PARC and General Council was required for a bill to be introduced, effectively giving political parties veto power over it (Mulgan, 2013, p. 129).

Mabuchi (2009, pp. 27–31) clarified how bureaucrats' perceptions of their roles have changed through a questionnaire survey. Until the 1960s, bureaucrats had a privileged sense of dominance. The bureaucrat's role is preparing the government policy, called 'patriot-type bureaucrats'. The privileged bureaucracy behind this image has its roots before World War II and is related to the theory that bureaucracy was preserved and strengthened even after the post-war reforms (Tsuji, 1969, p. 27). However, there is nothing that corresponds to this type in Aberbach et al. (1981); thus, it can be regarded as a characteristic of Japanese bureaucracy.

However, from the 1970s onwards, the influence of political parties increased as the LDP utilised a system of policy deliberations before the submission of bills. To obtain prior approval from the ruling party, bureaucrats had to coordinate directly with individual politicians and stakeholders involved in the policy, being called 'coordinator-type bureaucrats'

(Mabuchi, 2009, p. 28) or ‘political bureaucrats’ (Muramatsu, 1981, p. 108). In the background of the theory of political party dominance, there is a figure of political bureaucrats actively coordinating interests, as captured by Image III.

In this case, bureaucrats have numerous activities in the policymaking process, and they influence the policy process in terms of coordinating with various actors. Therefore, it can be said that the policy process continues under bureaucratic leadership. From the 1990s to the 2000s, the bureaucratic leadership in Japanese politics was criticised and discussions began regarding a shift to political leadership, which came later than the point at which academics underlined the shift.

However, coordinating bureaucrats’ activities did not necessarily lead to policy formation. Rather, the LDP administration succeeded in gaining control over bureaucrats; therefore, it could delegate a large amount of power to them (Ramseyer & Rosenbluth, 1993). Specifically, control rights were defined as: (1) ensuring veto rights to bills and regulations prepared by bureaucrats; (2) ensuring the possibility of interfering in personnel appointments and securing loyalty regarding the promotion and placement of senior civil servants; (3) provision of fire alarms through competition among ministries and agencies, and (4) managing lifetime wages, including the provision of ‘*amakudari*’ (securing re-employment to high-level bureaucrats; Ramseyer & Rosenbluth, 1993, pp. 106–18). The second point, intervention in personnel appointments, is discussed in Sect. 9.3.¹

However, scandals have diminished bureaucrats’ role since the mid-1980s. Economic stagnation and financial crises result from policies by politicians and bureaucrats working together. However, unfair relationships with financial institutions and multiple corruption cases as bureaucrats received money and services associated with public infrastructure projects demanded the correction of bureaucratic practices. In response to this problem, in 1999, the Act on Access to Information Held by Administrative Organs and the National Public Service Ethics Act were enacted (for the National Public Service Ethics Act cf. Chapter XI).

Concurrently, bureaucrats were expected to distance themselves from politics and the interests of various groups. Consequently, they were considered to neutrally implement the policies decided by politicians after coordination. This image of bureaucracy is called ‘officers-type bureaucrats’ (Mabuchi, 2009, p. 28). In Japanese, the words ‘bureaucrats’ and

‘public officials’ are used separately. Image II was expected to serve more as a public official than a bureaucrat.

When the LDP-centred coalition government shifted to the Democratic Party of Japan (DPJ) government (2009–2012), it was assumed that it sought to further minimise the role of civil servants towards Image I. Under the DPJ government, the three political executives gathered information, coordinated their interests, and decided on policies that the bureaucrats in each ministry below them should faithfully implement. This was a clear departure from the fusion and collaboration policy of the previous LDP administration. However, information from politicians was not conveyed to bureaucrats, limiting their involvement in the policymaking process. This led to the stagnation of communication between politicians and bureaucrats.

Was it possible for the LDP-led coalition government since 2012 to revive the collaboration between politicians and bureaucrats? The Shinzo Abe Cabinet (2012–2020) has been evaluated as having established a powerful ‘prime ministerial executive’, with Abe and his executive office putting the ruling party and bureaucracy in check (Mulgan, 2017). Underpinning the mechanism of the prime ministerial executive was the role of the policy council under the Cabinet and the Cabinet Secretariat and the strong influence of the bureaucrats working in the *Kantei*. Policy councils were established in the Cabinet and Cabinet Secretariat to discuss and decide on the Prime Minister’s policies. For this reason, it seemed that the centre of policy deliberations shifted from the LDP’s PARC and councils of ministries to the Prime Minister’s Office. Policy meetings promoted top-down goal-setting and cross-ministerial policies (Nonaka & Aoki, 2016).

The *Kantei* bureaucrats consist mainly of Prime Minister Abe’s secretaries and senior officials of the Cabinet Secretariat, dispatched by ministries and agencies. In the Abe administration, a practice was formed in which the Prime Minister worked for a long period, even in posts that would normally be replaced, and they exerted influence over the government ministries and the ruling parties to follow the policy of the Abe administration (Mulgan, 2017). Noteworthy, although the role of bureaucrats in ministries has reduced, that of bureaucrats working in the Cabinet and the Cabinet Secretariat has strengthened. An example of Aberbach et al.’s (1981, p. 18) Image IV (pure hybrid) is the expansion and enhancement of political bureaucrats in central agencies such as the Cabinet Office. *Kantei* bureaucrats can be considered an example of Image IV in Japan.

Consequently, the relationship between politicians and bureaucrats has changed in Japan: Image III under the traditional LDP administration, which still represents Japanese characteristics; Image II, where the role of bureaucrats was depressed due to scandals and expectations of political leadership; Image I was expected due to the change of government; and Image IV was due to the appearance of Kantei bureaucrats. Image IV also showed a new aspect of the differentiation between ministerial bureaucrats and Kantei bureaucrats. Section 9.3 discusses political involvement in personnel appointments and the issue of Kantei bureaucrats from the civil service system and personnel management perspective.

9.3 POLITICIANS AND BUREAUCRATS IN POLITICAL APPOINTMENTS PRACTICES

When considering the relationship between politics and administration, the second perspective is the civil service system, which sets rules for the classification and appointment of civil servants as well as personnel management, which appoints civil servants and assigns them roles in organisational management. In contrast to the cabinet level, political appointments at the ministry level are limited to ministerial secretaries (Table 3.1). Therefore, ministerial appointments are based on merit-based appointments, qualified by examinations, and classified as regular service officials in the National Public Service Act (for merit-based appointments system cf. Chapter XVII).

Ministerial appointments have traditionally focused on entrance examination categories and age (Kubota, 1969; Koh, 1989). While motivated young civil servants felt their promotions were delayed, it created discipline in personnel management. In addition, although there are differences among ministries and agencies, the experience required for executive promotion has been established as a rule; it states that serving as the manager of an important policy department with the three secretariat sections (accounting, personnel affairs, and documents) will lead to promotion.

The collaborative relationship between politicians and bureaucrats in Sect. 9.2 suggests that senior civil servants play a political role, which refers to coordinating political interests in the policy process. There is controversy over whether the ruling party intervened in bureaucrats' personnel affairs. Ramseyer and Rosenbluth (1993) identified human resource intervention as one of the LDP's powers of control. However, the need to

exercise control rights is low. Control rights other than personnel affairs are sufficient, and personnel matters are left to the discretion of ministries and agencies (Soga, 2022, p. 57). Further, ministries and agencies institutionalised the personnel system according to the timing of their development and defended it against the political intervention of ministers and politicians (Soga, 2016, pp. 201–206).

Assuming personnel management that is institutionalised and has a certain outlook, any deviation from this rule caused some change in the personnel practices of ministries and agencies, and political implications can be one such explanation. As such, bureaucrats have internalised politicians' demands and responded politically, making rules for personnel affairs and acting autonomously. Consequently, political responsiveness has been ensured by functional political roles based on personnel practices, although few institutionally appointed political positions exist.

Political appointments represent a way for politicians to act as principles to set goals and directions for bureaucrats while also supervising them. As a rule, politicians appoint officials similar to themselves as they are agents to interface with bureaucrats. Politicians and bureaucrats have a principal-agent relationship, which is mediated by political appointees. Political appointment positions are classified as special service officials in Japan's National Public Service Act.

Paragraph 6 of rules of National Personnel Authority 14-7 prohibits comprehensive political activities of general service positions, including using one's position, authority, or other public or private influence for political purposes (supporting a particular political party) and planning the formation of a political party or other political organisation and participating in it. In addition, national public servants may not be demoted, suspended from work, or dismissed against their will, except for reasons based on laws or rules of the National Personnel Authority (Article 75 of the Act). The legally stipulated grounds for demotion and dismissal are limited to the following: personnel evaluations highlighting a person's poor work performance, inability to perform duties due to mental or physical disorders, lack of eligibility as a civil servant, and cases in which the quota has been revised or abolished (Article 78). Leaves of absence are also limited: cases requiring long-term rest due to mental or physical disorders, being prosecuted for criminal cases, and others stipulated by rules of the National Personnel Authority are listed (Article 79). Therefore, civil servants cannot be suspended or dismissed for political reasons and can be

restricted from political activities instead. Thus, civil servants are expected to be politically neutral.

These restrictions and guarantees do not apply to politically appointed special service officials, who can perform political activities while performing their official duties. Furthermore, because they are not guaranteed employment status, they usually resign when the government that appointed them changes. However, in Japan, most political appointments—excluding those appointed by the parliament—are ministerial civil servants appointed into political appointment positions as a temporarily seconded status. After working as politically appointed special service officials, they return to their original ministry or agency and continue working as general service officials. In other words, Japan's political appointments are operationally included in the personnel transfers of general service officials and function as an extension of bureaucratic personnel appointments.

Therefore, to examine the relationship between politicians and bureaucrats, it is necessary to consider the classification of civil servants as well as the actual personnel management operation. Political appointments may be conducted by the ministerial strategy of human resource development or based on the preferences of the Prime Minister or the Chief Cabinet Secretary. For example, officials with experience as Prime Ministers and Ministers' Secretaries were politically appointed in the Cabinet Secretariat; partisanship is rare in principle but expected to have high inter-ministry coordinating skills through human networks.

Political appointment positions are shown in Table 9.2. In addition to the three ministerial executive positions, there are other posts in which ruling party representatives are appointed (underlined). The Director General of the Cabinet Personnel Bureau is appointed by the Deputy Chief Cabinet Secretary.

Personnel who directly assist executives are divided into senior officials in the Cabinet Secretariat and secretaries to ministers. Several senior-level posts of the Cabinet Secretariat special services were created in the 1990s following the Administrative Reform Council. Since then, it has expanded according to new policy issues, taking the Director General of the Cabinet Security Bureau as an example.

Other groups of assisting executives mainly focus on the activities of the Prime Minister's Secretaries. One of them is the Secretary in charge of political affairs, usually a Secretary to the Prime Minister as a member of the parliament. In addition, bureaucrats are appointed as part of the

Table 9.2 List of special service positions (excluding ministers, deputy ministers, and parliamentary vice-ministers)

<i>Level</i>	<i>Title</i>	<i>Number</i>	<i>Remarks</i>	
Cabinet Secretariat	<u>Deputy Chief Cabinet Secretary</u>	3	Two are appointed by both houses of the Diet, and one is appointed by a ministry bureaucrat	
	Deputy Chief Cabinet Secretary for Crisis Management	1	Established in 1998	
	Secretary General of National Security Secretariat	1	Established in 2014	
	Assistant Chief Cabinet Secretary	3	Established in 2001, responsible for domestic and foreign affairs, and crisis management	
	Cabinet Public Relations Secretary	1	Established in 2001	
	Director of Cabinet Intelligence	1	Established in 2001	
	<u>Special Advisor to the Prime Minister</u>	up to 5	Established in 1996, increased from 3 to 5 in 2001	
	Chief Digital Officer	1	Established in 2021	
	Executive Secretary to the Prime Minister	5	Up to 8 for the time being	
	Secretary to the Chief Cabinet Secretary	1	–	
	Cabinet Office	<u>Special Advisor to the Minister</u>	Up to 6	Established in 2014
		Secretary to the Minister of State	1 each	–
	Ministerial Level	<u>Special Advisor to the Minister</u>	Up to 1 each	Established in 2014
Secretary to the Minister of State		1 each	–	

Source: Cabinet Secretariat website: <https://www.cas.go.jp/jp/gaiyou/eibun/index.html>

Note: Underlined positions are permitted to be held by representatives

personnel transfers of each ministry. Traditionally, it was from the ministries of finance, foreign affairs, economics and industry, and the police; however, in recent years, it has expanded to other ministries due to increased personnel. Because secretaries act with the Prime Minister, their service and status change depending on the Prime Minister's thinking.

Some Prime Ministers expect political coordination with the ruling party and interest groups, whereas others place importance on coordination with the ministries and agencies to which they are seconded.

Political or ministerial advisers are representative positions of political appointments in international comparisons (Eichbaum & Shaw, 2008). This is the most standard form of political appointment, and the Organisation for Economic Cooperation and Development (OECD, 2011) has pointed out that in recent years, the volume of these appointments has increased in its member states. In Japan, several advisors are appointed at the Cabinet and ministerial levels. Many policy advisor appointments consist of intellectuals active in business or academia. They are general service part-time officials and have a weaker role as political advisors. For example, the Special Advisor to the Cabinet is appointed directly by the Prime Minister and serves as a political adviser on specific policy issues; however, they are not necessarily incorporated into the normal policymaking process, and their role as advisors is limited.

This section has discussed the contrast between autonomous ministerial-level personnel management with political considerations and limited political appointment positions at the cabinet level. However, there is a new development that diminishes this contrast. Since 2014, for the minister to appoint approximately 700 senior civil servants above a certain level, consulting with the Prime Minister and Chief Cabinet Secretary has become necessary. This consultation follows a list compiled based on eligibility screening. However, the list is presumably composed of many candidates, and it is up to the current Prime Minister and Chief Cabinet Secretary to decide whether to respect the autonomy of personnel affairs of each ministry or to become politically involved. Changes after the introduction of consultations included the promotion of female appointments, relaxation of the seniority-based personnel system (selection of young staff members), and cross-ministerial personnel affairs, which had been one of the key policies of the Cabinet. In some cases, former Prime Minister Secretaries were promoted to higher positions in the government ministry from which they were dispatched (Izumo, 2017, pp. 8–10). While such examples seem to emphasise making relatively rigid personnel practices more flexible, they can also be seen as the ‘politicisation’ of personnel appointments.

However, regardless of whether the intervention takes place, government ministries tend to overestimate the intentions of the Prime Minister’s Office and refrain from proactive policy proposals to avoid intervention (referred to as *‘sontaku’*, meaning ‘reading between the lines’; Carlson, 2020, p. 33).

9.4 POLITICS AND ADMINISTRATION IN SUBNATIONAL GOVERNMENTS

Subnational governments in Japan are two-tiered: a municipal level of 1718 municipalities (since 2018) and a regional level of 47 prefectures. Regarding prefectures, they have a directly elected governor who appoints the deputy governor and superintendent of education—special service positions of political appointment. More than one deputy governor may be appointed by enacting an individual ordinance. For example, the Tokyo Metropolitan Government has four vice governors. These appointments require parliamentary consent. Parliamentary disagreements also occur, although rarely, depending on their relationship with the governors. They form the top management layer that directs public officials under them.

Since the number of these special service positions is limited, leaders are assisted by merit-based-appointed general service senior officials, as is the case with the national government. Because their promotions are based on a specific amount of work experience, no system allows governors to appoint at their discretion. However, political decision and responsiveness are required, and the relationship between the governor and senior officials is close.

However, there is another option other than appointing promoted officials of their own to these special service positions and senior- and middle-level positions: appointing dispatched national government officials based on the request of governors. In Chap. 3, the elements that define Japan's central and local government relations as 'interfusion' include the activeness of human resource networks as well as authority relations. This practice has its roots before World War II. At that time, prefectures also functioned as branch offices of the national government; therefore, their senior officials were dispatched from the national government. Since the enactment of the Constitution of Japan, prefectures have ceased to be branch offices; however, this is still being practised on a voluntary request basis (except the prefectural police, whose dispatches are institutionalised).

These dispatch practices are interactive, as dispatches are made from the prefectures to the central government. This chapter focuses on prefectures. It also takes place between the central government and municipalities (and between prefectures and municipalities).

This dispatch is a means for the Central Government to control and monitor local governments (Akizuki, 2001, p. 71). Particularly, the

departments responsible for local government administration in the Ministry of Internal Affairs and Communications have a comparatively large number of dispatches to the local government, which means they adopt multiple methods of controlling them through human resources and financial management.

Conversely, a theoretical view explains that prefectural governors are choosing more strategically whether to ask for dispatch. Since the 1960s, local governments have gradually developed their own human resources, even with long-term human resource development in Japan. By the 1980s, prefectural governors could select their preference from two options; either appoint their human resources or request to send national officials to them by comparing the benefits (e.g., strengthening the relationship with the ministry) and disadvantages (e.g., demotivating their own officials) (Inatsugu, 2010, pp. 108–110).

9.5 CONCLUSION

This chapter has described Japan's political-bureaucratic relationship, characterised by collaborative relationships in the policy process and the institutionalisation of the separation of government and officials in the civil service system.

Regarding collaborative relationships, a policy process similar to Image III in Aberbach et al.'s (1981) model was formed, in which public officials coordinated interests and cooperated with politicians in the policy process. However, as the government changed, the relationship between politicians and bureaucrats was reviewed, which led to tensions. In other words, it was shown that interactions between politicians and bureaucrats established a political-bureaucratic relationship and that no rational relationship existed at any given time.

In contrast to cooperative relationships, there was also a phase of shifting towards officer-type bureaucrats, in which bureaucrats devoted themselves more to technical values, such as political neutrality and policy efficiency, and were responsible for policy implementation. It is expected that the role of bureaucrats in the policy process will continue to change through their interaction with politicians and that this role will be debated.

Institutional political appointments and functional political roles were discussed in the Civil Service System and Personnel Management. Institutional political appointments in Japan are characterised by being primarily developed by the Cabinet Secretariat, and introduction by each

ministry is restrained. Furthermore, the Cabinet Secretariat is limited in number and not necessarily run by political appointees. This limited political appointment system is thought to have provided stability and continuity in the development of policies and functioned as a mechanism to curb political and personnel involvement in bureaucracy. It is difficult to demonstrate whether there has been any political intervention in actual personnel management. However, by establishing rules, ministries and agencies can usually carry out autonomous personnel management. Conversely, considering the relationship between politicians and bureaucrats, the limited number of political appointees forces civil servants, based on the qualification appointment system, to play a political role, including coordinating policy interests. This problem was discussed as the functional political roles.

NOTE

1. Fire alarms are meant to provide the multifaceted information needed to monitor bureaucracy. Competition between ministries was developed as an information source to gain the support of politicians.

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The Laws on Administrative Procedures

Keisuke Kagami and Masashi Hashimoto

10.1 INTRODUCTION

This chapter reviews the laws regulating administrative procedures in Japan.¹ These laws were established to ensure appropriate information management and protection of the rights and interests of the public. This chapter addresses the major related laws: (1) the Public Records and Archives Management Act (PRAMA), (2) the Act on Access to Information Held by Administrative Organs (AAIHAO), (3) the Act on the Protection of Personal Information (APPI), (4) the Administrative Procedure Act (APA), and (5) the Administrative Complaint Review Act (ACRA). Here, we briefly summarise the history and major content of each law.² Although these laws have traditionally been studied in administrative jurisprudence in Japan, studying them from the perspective of public administration is necessary for future reforms.

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10.2 THE DEVELOPMENT OF ADMINISTRATIVE PROCEDURES IN JAPAN

Since the 1990s, Japan's central government has developed laws that establish administrative procedures for all administrative organs. An administrative procedure refers to a set of acts that administrative organs should perform in their operations to ensure transparency, accountability, and fairness. In the 1990s, the government developed administrative procedures to respond to two criticisms. First, when policy failure and corruption occurred, administrative agencies were criticised for trying to hide information. Second, as globalisation progressed, foreign governments and companies criticised the lack of transparency and accountability in Japan's administration. As a result, the government established and revised the PRAMA, AAIHAO, APPI, APA, and ACRA.

These laws target procedures for information management and contact between the administrative organs and the public. Regarding information management, all administrative organs gather information and create documents in which there are processes, including preparing documents, disclosing them on public request, and preserving or disposing of them. The government of Japan has set procedures to ensure privacy and transparency by establishing the APPI, PRAMA, and AAIHAO. In addition, administrative agencies are in contact with the public regarding their tasks. They use various methods, including formal disposition to the public as well as contracts, informal guidance, investigation, and enforcement measures. These affect the rights and interests of particular citizens to varying degrees. Therefore, the government has established laws that set pre- and post-procedures to ensure the fairness of administrative operations. These laws are the APA and ACRA.

We use the terms 'administrative agency' and 'administrative organ' in accordance with the study and practice of administrative law in Japan.³ Administrative agency refers to a person or group of people who can order an administrative disposition in their name, typically ministers, governors, mayors, and commissions. Disposition is when an administrative agency changes citizens' rights or duties under the laws, for example, when decisions regarding permission, taxation, and welfare payments to a citizen are involved. Administrative organ refers to (1) administrative agencies, (2) their sub-organs (e.g. Cabinet Office, ministry, agency, committee, bureau, division, office), (3) posts in the agencies and their sub-organs (e.g. vice minister, vice mayor, vice governor, director-general, director,

official), (4) consultative organs (e.g. council and investigative committee), and (5) executive organs (e.g. police officer and immigration control officer); numbers (2) to (5) assist an administrative agency in its activities (Uga 2024, pp. 27–43).

10.3 THE LAWS ON THE APPROPRIATE MANAGEMENT OF ADMINISTRATIVE DOCUMENTS

10.3.1 *The Necessity of Transparency and Privacy in Administrative Operation*

As the various activities conducted by administrative organs are based on documents, they must properly manage documents, including their preparation, preservation, disposal, and transfer.⁴ Such document management is also essential for improving government transparency in response to requests for information disclosure.⁵ Furthermore, administrative organs must properly handle personal information in administrative documents to protect citizens' rights to privacy and other rights. The laws that respond to these challenges are the PRAMA, AAIHAO, and APPI.

10.3.2 *The Public Records and Archives Management act*

Procedures for document management in administrative organs were developed towards unification through the AAIHAO and PRAMA. For a long time, document management standards among administrative organs were not unified, but with the enactment of the AAIHAO in 1999, the heads of administrative organs were required to stipulate the necessary matters concerning document management. In 2009, the Japanese government enacted the PRAMA and subsequently established guidelines for administrative documents under the act. The heads established standards for document management in administrative organs, called rules for the management of administrative documents, based on the administrative document guidelines.

PRAMA defines its purpose and the documents it applies to in Chapter I. The purpose is the proper and efficient management of public administration and the fulfilment of accountability. The act regulates the public records and archives. The archives are administrative documents (documents, pictures, and electronic or magnetic records that have been

prepared or obtained by employees of an administrative organ in the course of carrying out their duties and held by the administrative organ for use by its employees as shared documents for the administrative organ), corporate documents (documents similar to administrative documents in incorporated administrative agencies), and specific historical archives (documents transferred from administrative organs to the National Archives of Japan that are important historical documents).

Chapter II focuses on administrative organs to explain how official documents are managed. Chapter II defines the management methods in the following four phases according to the document lifecycle: preparation, arrangement, preservation, and transfer/disposal.

First, under Article 4, officials of administrative organs shall prepare administrative documents to make the process leading to decision-making and the administrative work of the administrative organs verifiable.

Second, to arrange the documents created, the officials of administrative organs must classify and name the documents and set the retention period and its expiry date. Officials consolidate the administrative documents closely related to each other into one administrative document file under Article 5, Paragraph 1.2. In addition, the head of administrative organs must decide on the transfer or disposal of administrative document files to the National Archives before the expiry date. The head may seek guidance and advice from the archivist of the National Archives under Article 5, Paragraph 5.

Third, under Article 6, the head must preserve the administrative document files until the expiry date of the retention period. The head must also enter the classification, name, retention period, expiry date of the retention period, measures to be taken at the time of expiry, and place of retention of the administrative document files in the administrative document file management registers. The registers must be made publicly available under Article 7.

Fourth, after the retention period of an administrative document file has expired, the head must transfer this file to the National Archives or dispose of it under Article 8. However, in the case of disposal, the head must obtain prior consent from the prime minister⁶ under Article 8.

10.3.3 *The act on Access to Information Held by Administrative Organs*

The administrative information disclosure law has attracted attention since the 1970s and was enacted in 1999.⁷ In the 1970s, there were calls for the

development of an information disclosure system in academia and the mass media. Later, some local governments enacted an information disclosure ordinance in 1982, while in the central government, the Second Provisional Commission for Administrative Reform examined information disclosure in 1983. In 1996, the Administrative Reform Commission submitted a report with its opinion on information disclosure to the prime minister. Based on this opinion, the central government enacted the AAIHAO for administrative organs in 1999.⁸

The AAIHAO defines its purpose and documents to be disclosed in Chapter I. Article 1 defines the purpose of the AAIHAO as ensuring that the various activities of administrative organs are available to the public. Article 2 states that the texts covered are administrative documents. Chapter II defines the procedures for requesting the disclosure of administrative documents and implementation of disclosure decisions, and Chapter III defines requests for review.

Any person may request the disclosure of administrative documents under Article 3. When a request for disclosure is made, the head of the administrative organs must disclose the requested administrative documents, except in cases where the following non-disclosure information is recorded by Article 5: Article 5, items 1–6, provides non-disclosure information. The information is, in general terms, (1) information concerning individuals, (2) anonymously processed information of administrative organs, (3) information of juridical persons (excluding administrative organs, incorporated administrative agencies, local public entities, and local incorporated administrative agencies), the disclosure of which is likely to harm the legitimate interests of said juridical persons; (4) information that is likely to harm national security, (5) information that could hinder the maintenance of public safety and order, (6) information on deliberations within or among the organs of the State (the Diet, cabinet, courts, and Board of Audit), incorporated administrative agencies, local incorporated administrative agencies, and local governments, and (7) specific information on the affairs or business of state organs, local governments, incorporated administrative agencies, or local incorporated administrative agencies.

The head decides on disclosure or non-disclosure, including partial disclosure, discretionary disclosure, and refusal to respond to existence in Articles 7–9. Partial disclosure is the disclosure of a part of a document subject to a disclosure request when the non-disclosed information is contained in that part, except for that part. Discretionary disclosure means

that the head discloses the document when the head considers it necessary in the public interest, even if non-disclosure information is recorded. Refusal to respond to existence or non-existence is the refusal to disclose a request for disclosure without revealing the existence or non-existence of the document; simply answering about the existence or non-existence of the subject document would result in the disclosure of non-disclosure information. According to Article 13, Paragraph 1, if a third party's information is recorded in a document subject to a disclosure request, the head may grant that third party the opportunity to submit a written opinion. In addition, third parties must be given the opportunity to submit a written opinion, for example, in the case of the discretionary disclosures mentioned in Article 13, Paragraph 2.

As a rule, the head must make a disclosure decision within 30 days of the request per Article 10 and must attach the reasons for the decision if the head makes a non-disclosure decision or if the disclosed document has non-disclosed parts per Article 8 of the APA.

Chapter III provides requests for review against disclosure decisions. In principle, the Information Disclosure and Personal Information Protection Review Board, established by the Ministry of Internal Affairs and Communications (MIC), examines the requested reviews and reports to the administrative agency under Article 19.

10.3.4 The Act on the Protection of Personal Information

Japan's personal data protection systems were individually developed by the central and local governments and later integrated. Some local governments began enacting personal information protection ordinances in 1978, and the central government enacted the Act on the Protection of Personal Information Electronically Processed and Held by Administrative Organs in 1988, following the OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data (1980). Subsequently, it aimed to develop a personal information protection system that included the private sector and in 2003 enacted the Act on the Protection of Personal Information Held by Administrative Organs (APPIHAO) (covering administrative organs), the Act on the Protection of Personal Information Held by Incorporated Administrative Agencies (APPIHIAA) (covering incorporated administrative agencies), and the APPI (covering the private sector).⁹ In 2021, to correct imbalances and inconsistencies in the former legislation caused by separate legal regulations in response to

the increasingly active use of data across public, private, and regional borders and to comply with the General Data Protection Regulation,¹⁰ the central government integrated APPIHAO and APPIHIAA with the APPI, which applies to the public and private sectors, including local governments. In addition, the Personal Data Protection Commission (PPC), which can exercise its powers independently and without direction or supervision from ministers, is now responsible for monitoring these sectors.

The integrated APPI defines personal information in Chapter I as well as its purpose and the public sector bodies to which it applies. Article 1 states that the act's purpose is to protect an individual's rights and interests while considering the usefulness of personal information. The public sector entities to which it applies include administrative organs, local government agencies, incorporated administrative agencies, and local incorporated administrative agencies under Article 2, Paragraph 1. In Article 1, the personal information protected by the act is defined as information about a living individual that can identify a specific individual (including information that can be compared with other information and thereby identify the specific individual) and includes a personal identification code. Moreover, in Article 60, Paragraph 1, the retained personal information subject to the obligations of administrative organs refers to personal information contained in administrative documents held by administrative organs and in corporate documents held by incorporated administrative agencies. This information is subject to obligations, as described below.

Chapter V explains the obligations, focusing on administrative organs. Chapter V describes the handling of personal information by administrative organs in three phases: gathering, use, and preservation.

First, in gathering personal information, the head of an administrative organ is restricted to the minimum necessary to acquire the information by Article 61, Paragraph 2, and is required to specify the purpose of use in accordance with Article 61, Paragraph 1, and to clearly indicate the purpose to those concerned as per Article 62. In addition, the head is prohibited by Article 64 from acquiring personal information through unlawful means.

Second, when using retained personal information, the heads of administrative organs are, in principle, prohibited from inappropriate use according to Article 63 and from use or provision for other purposes according to Article 69. Furthermore, Article 71, Paragraph 1, stipulates that when providing information to a third party located in a foreign country for a

purpose other than the purpose of use, the consent of the individual to whom the information pertains must be obtained, except in certain cases.

Third, when preserving retained personal information, the head must ensure the accuracy of the content according to Article 65, take security control measures such as preventing leaks according to Article 66, and report any leaks to the PPC according to Article 68, paragraph 1. In addition, Article 67 stipulates that employees of administrative organs engaged in handling the above issues are prohibited from notifying others of the personal information obtained while carrying out their duties or from using such information for improper purposes.

Further, Chapter V provides for the right to make the following requests: disclosures under Article 76, Paragraph 1; corrections under Article 90, Paragraph 1; and suspensions under Article 98, Paragraph 1. Any person may request the head of an administrative organ to disclose or correct their personal information in its possession as well as to suspend its use if they believe that it has been improperly handled. Furthermore, if the claimant is dissatisfied with the head's decision on these requests, they may file a request for review under Article 2 of the ACRA or administrative litigation under Article 3 of the Administrative Case Litigation Act.

10.4 THE LAWS ON THE FAIRNESS OF DISPOSITION

10.4.1 *The Necessity of Fairness in Administrative Operation*

Administrative organs make contact with the public, in which they use various methods involving a formal disposition to the public as well as contracts, informal guidance, investigations, and enforcement measures. These interventions affect the lives of citizens to varying degrees. Moreover, abuse, unjust, or opaque use by administrative organs occurs on occasion. Therefore, as in many other countries, the Japanese government has established laws that guarantee fairness in these processes. Among these, this chapter examines laws that function as pre- and post-procedures to ensure fair and just administration: the APA and ACRA.¹¹

10.4.2 *The Administrative Procedure Act*

The APA took a long time to come into force, from the start of consultations within the government in 1964 to its actual enactment in 1993. From the 1960s to the 1980s, although councils and study groups created

concrete drafts of the APA, they were not enacted. In the 1990s, the trend of regulatory reform, partly pushed by criticism of the opaqueness of Japan's administration from the United States, supported the enactment of the APA (Ushijima, 2009, p. 84). The government submitted a bill to the Diet, which was enacted and issued in 1993. After its enactment, it was amended in 2005 and 2014; public comment procedures were added in the 2005 amendment.

The purpose of the APA is to promote the protection of public rights and interests by improving the fairness and transparency of administrative decision-making. To achieve this goal, it sets the procedures for the following parts of the administrative process: dispositions upon application (Chapter II), adverse dispositions (Chapter III), administrative guidance (Chapter IV), notifications (Chapter V), and public comment procedures (Chapter VI). In what follows, we explain Chapter II, III, IV and IV-2 that relate to procedures protecting the rights of citizens from the above administrative intervention.¹² Although the central and local governments must comply with it, there are some exemptions for the latter, so the APA requires them to set out the necessary procedures through their ordinances.

Chapter II describes the procedures for administrative disposition regarding whether applications from the public are permitted or not. The processing of applications by administrative agencies involved several problems, such as a lack of or opaque standards of review, refusal of receipt or neglect, and non-disclosure of the reason for rejection. The APA requires administrative agencies to redress these problems. According to Article 5, administrative agencies that have the authority to process applications set review standards as concretely as possible and make them public in an appropriate way. Moreover, administrative agencies must endeavour to establish a standard period of processing applications, and if established, the agency must make it public in an appropriate way per Article 6. When an application arrives at its office, the agency must begin to process it without delay, under Article 7. Article 8 prescribes that if an agency rejects an application, it must provide its reason in principle.

Chapter III sets the procedure for dispositions that limit the rights of citizens or impose a duty on them. Before the APA, administrative agencies had been criticised for making surprise dispositions without revealing the reason, thus depriving citizens of sufficient time and information for counteracting them. Therefore, the APA prescribes a pre-procedure for an adverse disposition for predictability and accountability. Under Article 12, administrative agencies that have the authority of make dispositions must

endeavour to set standards and make them available to the public. Article 13 prescribes two procedures before an administrative agency makes an adverse disposition against a citizen, hearings and explanations based on writing, in which the citizen can claim their position. A hearing is a cautious, face-to-face procedure conducted before disposition has a significant impact on the citizen. On the day of the hearing, the citizens can state their opinions, submit documentary evidence, and address questions to officials. The explanation is a simpler procedure than the hearing, in which a citizen submits a written explanation. According to Article 14, when administrative agencies make a disposition to a citizen, they must provide a reason in principle.

Chapter IV discusses the transparency of administrative guidance. Administrative guidance refers to guidance, recommendations, and advice to a citizen by administrative organs to realise their goals and is not a disposition. Before the APA, it could be flexibly used by various administrative organs because it was an informal request rather than a formal disposition (Shiono, 1984). However, there were cases in which citizens who feared retribution were compelled to obey them; thus, they had the same coercive power as dispositions. The APA stipulates administrative guidance as simple guidance and does not have coercive power under Article 32(1); therefore, it prescribes that administrative organs must not treat citizens unfavourably for refusing it in the same article (2). Moreover, an agent imposing administrative guidance must provide key information to the subject citizen. It also prescribes that if a citizen thinks that administrative guidance towards them does not conform to relative laws, they can request its suspension under Article 36-2. In addition, citizens may require administrative guidance to correct illegal states (Chapter IV-2).

10.4.3 *The Administrative Complaint Review Act*

The ACRA was enacted in 1962 and was fully revised in 2014 because of the legislation of related laws, including the enactment of the APA and the revision of the Administrative Case Litigation Act (ACLA). The APA and ACRA are closely interrelated laws, in which the former sets the pre-procedure and the latter sets the post-procedure of citizens' rights protection within the administration. In addition, the ACLA and ACRA have in common the establishment of administrative remedies through litigation and an administrative appeal, respectively. Therefore, changes in these laws led to the recognition of the need to review ACRA. In 2008, the MIC began

preparing the draft and submitted the bill, but due to two dissolutions of the House of Representatives and two changes in government, the bill was finally enacted only in 2014. The major changes were the establishment of systems for reviewer officials and councils to ensure fairness.

The ACRA is a general law regarding administrative appeals. Its purpose is to establish a procedure that protects citizens' rights and ensures the proper operation of the administration by preparing a simple, prompt, and fair system of administrative appeal. There are three methods of administrative appeal: request for review, request for re-investigation, and request for re-examination. In the following section, we provide an overview of the request for review, which is the standard method in the institution.

According to the provisions of Articles 2 and 3, the subjects of requests for review were dispositions and omissions by administrative agencies. In the following, the two are collectively referred to as 'disposition, etc.' Disposition occurs when an administrative agency limits a citizen's rights, rejects an application from them, or imposes a duty on them by following laws. Meanwhile, omission means that an administrative agency does not act upon a citizen's application based on laws over a certain period. The administrative agency reaching disposition or taking no action over an application is called 'the administrative agency etc. reaching disposition'. In a request for review, the illegality or unjustness of the disposition, etc. is reviewed.

If a citizen is dissatisfied with the disposition, etc., they can file a request for review with a review agency. According to Article 4, a review agency is a higher administrative agency than the administrative agency etc. reaching disposition. However, there are exceptional cases in which administrative agencies etc. reaching disposition become review agencies.

The general procedure for requesting a review can be divided into three stages.

First, the review officer presides over the review procedure. After receiving a complete written request for review, in principle, the review agency appoints a review officer from among their staff, under Article 9. To ensure fairness, Article 9(2) sets the grounds for the exclusion of staff involved in the disposition, the party in the review procedure, and other staff of interest. In the review procedure, the review officer marshals arguments and collects evidence from the administrative agency etc. reaching disposition, the requestor for review, and the participant. When the review officer finds

that the necessary proceedings have been completed, they conclude the review process and draft a determination that the review agency should take.

Second, after receiving the draft, in principle, the review agency consults councils to ensure fairness, as specified in Article 43. If the review agency belongs to the central government, it consults the Administrative Complaint Review Board established by the MIC. However, in the case of local governments, separate boards are established for each. These boards assess the appropriateness of judgements made by the review officer and the review agency.

Third, the review agency makes determinations regarding a request for review by referring to a draft by a review official and a report from the council. The determinations are classified into three types: dismissal without prejudice, dismissal with prejudice, and upholding. Dismissal without prejudice is made when a request for review does not meet the formal requirements prescribed by the ACRA; therefore, it is made without substantive discussion. Dismissal with prejudice is made when there are no grounds for a request for review despite substantive discussion: the disposition, etc. is judged not to be illegal or unjust. Upholding means that there is a reason for a request for review; the disposition, etc. is judged to be illegal or unjust. If a determination is dismissed, with or without prejudice, the state of disposition, etc. continues to exist. However, in the case of upholding, the disposition, etc. is corrected.

10.5 CONCLUSION

To contribute to international comparative studies, we highlight the features of Japan's laws regarding administrative procedures, outline recent issues, and suggest future reform directions. That is, although the central government has developed laws, its operations must be improved by referring to the study of public administration.

Each law's operation is entrusted to the respective administrative organ. These laws prescribe general rules and each administrative organ processes individual cases. This approach is rational. Considering that different administrative agencies treat different types of information and undertake different types of activities, uniform and detailed laws can cause inefficiencies. Moreover, this system has the advantage that cases are responded to by staff with proficiency and processed quickly within the administrative organs in charge.

However, this also carries the risk of depending on the staff's skills and morals. Over the past few years, the national government has inappropriately managed documents (Kagami, 2022, pp. 46–47). In the Moritomo school, Kake school, and the cherry blossom-viewing party scandals, the administrative organs were suspected of favouring groups close to the prime minister. In their pursuit, they made a false report that existing documents were already disposed of or did not exist. Furthermore, they disposed of documents that were desirable for long-term preservation within a year. Although the revised guidelines show how documents are managed, the discretion of administrative organs remains.

Considering these experiences, further reforms are needed, such as by focusing on improving the methods of operation within each administrative organ. This involves reviewing the processing flaws within organisations, checking the system of division of work, changing the organisational culture, and developing effective training methods to enhance staff expertise and ethics. These topics are discussed in public administration studies. In Japan, however, the practice and reform of administrative procedures has relied on administrative jurisprudence. Most of the studies cited in this chapter are based on this perspective. Therefore, further accumulation of research in public administration studies is desired.

NOTES

1. This chapter was written by two authors. Kagami was responsible for Section 10.1, 10.2, 10.4, and 10.5, and Hashimoto for Section 10.3.
2. Japanese law translations can be used to examine the English translations of Japanese laws and regulations here: <https://www.japaneselawtranslation.go.jp/>
3. Regarding the meanings of the two terms, see Uga (2024).
4. Administrative organs use a document processing system called the 'Ringisei'. This system also provides a decision-making method for routine daily work. In this system, an organisation's entry-level staff prepare documents related to business processes and obtain approval of those documents from superiors and from the final decision-maker. However, for important work, such as the preparation of bills, a meeting is held in advance, and the above document is passed after obtaining the consent of the parties. For details on the system, see Nishio (2001).
5. The AAIHAO makes information publicly available on request, but in the case of regulatory impact analysis, the impact associated with a regulation

- is made public by administrative organs before the establishment, amendment, or abolition of the regulation.
6. The Public Records and Archives Management Commission, established by the Cabinet Office, investigates, deliberates on administrative document management rules and regulations, and reports to the prime minister.
 7. For details on the history of the enactment of the AAIHAO, see Uga (2007).
 8. In 2001, the government enacted the Act on Access to Information Held by Incorporated Administrative Agencies, which is almost identical to the AAIHAO and covers the incorporated administrative agencies.
 9. The Act on the Use of Numbers to Identify Specific Individuals in Administrative Procedures was a special law for these three acts enacted in 2013. Regarding the Act, see Chap. 16.
 10. Regarding the General Data Protection Regulation, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R0679>
 11. The other institutions involved in the protection of citizens' rights are administrative counselling and ombudspersons. Administrative counselling targets various complaints from the public and involves not only ordinary consulting services in each administrative organ, but also official mediation by the MIC. Ombudspersons are present in several municipalities, the first of which was Kawasaki City in 1990.
 12. For the public comment procedure cf. Chapter 15.

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The Civil Service and Public Employment

Hiroko Shimada-Logie and Atsushi Konishi

11.1 INTRODUCTION

Modeled after the Prussian bureaucracy, the modern civil service system in Japan was established in 1885, prior to the promulgation of the Imperial Constitution (1889) and the creation of the Diet (1890). In attaining the national goals of rapid modernization and catching up to the Great Powers, the Emperor's officials were entrusted with the role of formation of policy detached from party politics, which was regarded as pursuing partial interests.

After the Second World War, the Emperor's officials were transformed into "the servants of the whole community," but retained their self-image as embodiments of the public good. Each ministry continued to play a leading role in creating policies, while deepening collaboration with the ruling party and influential organizations, in order to attain the shared goal of economic growth. While the people had high expectations of

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public administration, the ethos of small government was a consistent principle from the early period. The personnel practice, under which the job responsibility of each employee is flexible, enabled curbing staff numbers and personnel costs, even as administrative demands skyrocketed. This unique system of maximizing mobilization also frequently caused discussions overseas pertaining to Japan's heterogeneity since the late 1980s, when international trade surpluses began to mount.

However, this system failed to adapt to the dramatic changes occurring both domestically and internationally since the 1990s. Long-held expectations of the bureaucracy soured into a strong sense of distrust, following a series of administrative failures and scandals involving senior bureaucrats. As calls for a smaller government grew louder, staff members of national universities, hospitals, the postal service, etc. were removed from the civil service. In the 2000s, the introduction of political control was pursued, in accordance with the view that "vertically divided ministries and the pursuit of ministry-specific interests were the cause of waste." It was embodied in the civil service reform, calling for "transformation from a bureaucratically-controlled cabinet system to the parliamentary cabinet system."

11.2 COMPARISON WITH OTHER COUNTRIES

Japan's civil service system has two features: a mixture of influences from various countries and a substantial divergence between the legal system and its operations. While the original system was modeled after Germany, a U.S.-style public service law was enacted in 1947 as a part of democratization reforms. Blaine Hoover was in charge of this effort, who felt strongly about the U.S. Civil Service Commission, and sought to introduce an ideal civil service that had not been realized in his home country. He attempted to minimize the scope of political appointments, thoroughly implement a merit-based principle based on a job classification system, and establish the National Personnel Authority (hereinafter referred to as "the NPA") as a powerful entity to protect impartial public service and to carry out planning of personnel administration.

Nevertheless, in all ministries where the German-style closed system had taken root, long-standing personnel practices remained unaffected by the U.S.-style of legal requirements. Those who passed the Senior Class (Level I since 1985) Examination were treated as candidates for executive positions, and mid-career recruitment was limited. There was no

acceptance whatsoever of the job classification system and specification of job responsibilities, which were alien from Japanese labor practices.

The National Public Service Act (hereinafter referred to as “the NPSA”) envisaged the safeguarding of the fairness of personnel administration in each ministry from party politics through third-party committee in Anglo-American style. In Japan, however, where examination and hiring processes controlled by the Ministry of Home Affairs had been entrenched since the prewar period, the idea that fair personnel administration required a neutral commission was not convincing. The NPA was thus regarded as a threat of intervention in the autonomous personnel affairs of each ministry, rather than a guardian against political interference.

After several unsuccessful attempts to abolish or reorganize the NPA were made since the restoration of Japan’s independence, the NPSA was eventually amended in 1965 to position the Prime Minister, in representing employers (ministries), as another central personnel administrative organization alongside the NPA. Since then, a division of roles has been established such that the NPA shall set standards, the Prime Minister shall coordinate the management of personnel affairs of the whole government, and each ministry shall engage in the actual personnel management. The NPA no longer attempted to enforce regulations that did not suit the actual practice such as job classification, but came to concentrate on guaranteeing appropriate salary levels as its primary task. Gradually over time, the NPSA came to be tailored to reflect Japanese conventions.

The merger of the conservative parties in 1955 also decisively affected bureaucracy. As the newly formed Liberal Democratic Party (LDP) thereafter remained holding the reins of power, the “coordinator-type” bureaucracy, which worked actively in the political area backed by particular groups (“tribes”) of the LDP members, came to dominate (Muramatsu, 2010; Mabuchi, 2020).

The 2014 revision of the NPSA, to be discussed later, was carried out in the belief that the Prime Minister should have centralized executive personnel responsibilities. This marked the emergence of Japan’s unique approach to personnel management, which differs from the Anglo-American model wherein personnel affairs are governed by an independent body, or the French-German model wherein bureaucratic groups are highly protected in terms of status and are granted substantial autonomy over personnel (Shimada-Logie, 2021).

The Local Public Service Act (hereinafter referred to as “the LPSA”) was enacted in December 1950 and came into force in February 1951.

While many points are shared with the central government, the key differences will be discussed in Sect. 11.4.6.

11.3 SCALE AND STRUCTURE¹

Civil servants are divided into national civil servants and local civil servants; each group is then divided into general positions that are subject to the Public Service Act and special positions that are exempt from the Act (Fig. 11.1).

Next, Fig. 11.2 shows the number of civil servants per 1000 people in Japan² compared with the United Kingdom, the United States, France, and Germany. It reveals how small the Japanese government is.

A small government has been maintained by a strict statutory system under which personnel numbers are prescribed and fixed. In 1961, long

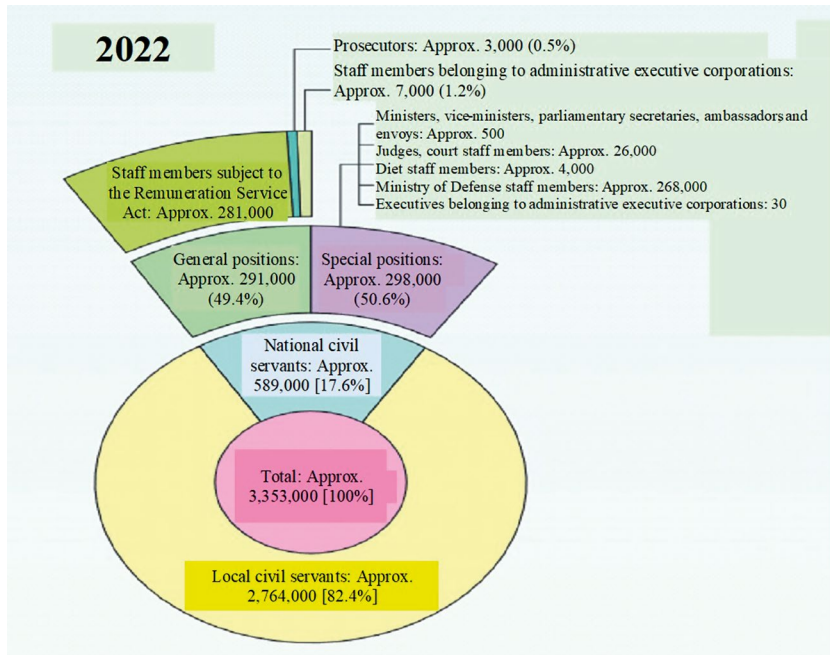


Fig. 11.1 National civil servants and local civil servants in Japan. (Source: NPA, 2022 *National Civil Servant Profile*)

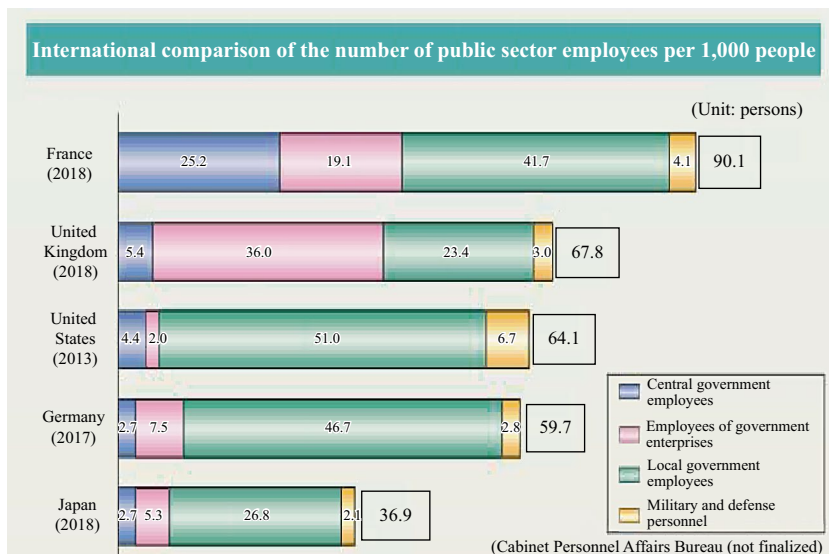
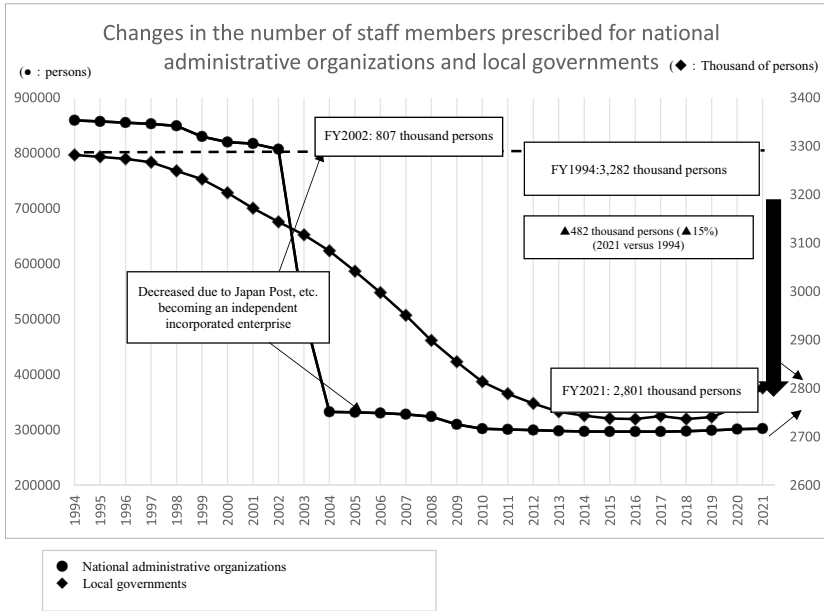


Fig. 11.2 International comparison of the number of public sector employees per 1000 people

before the global trend of NPM emerged, the First Provisional Commission for Administrative Reform, which aimed to simplify and streamline administrative operations, was launched. The Total Staff Number Act (hereinafter referred to as “the TSNA”) came into force in 1969. This is because, since the salary of civil servants rose yearly according to recommendations by the NPA based on private-sector standards, the number of employees had to be curbed in order to control personnel costs (Maeda, 2014). Between the end of the 1960s and 2000, the prescribed number of staff members almost consistently continued to decline from just under 900 thousand to a little over 800 thousand. The Second Provisional Commission for Administrative Reform established in 1981 privatized three public enterprises, including Japanese National Railways. In the 2000s, transformation into independent administrative institutions was accelerated, the postal service was privatized, and the employees of national universities and hospitals lost their status as civil servants. Consequently, the number of general position civil servants decreased from 818 thousand (2000) to 290 thousand (2021) (Fig. 11.3).



(Compiled by the authors based on government statistics)

Fig. 11.3 Central government is also adapting to local needs—from fiscal year 1994 to 2021. Combining the central and local governments into one figure

The number of local civil servants peaked at 3282 thousand in 1994 before consistently declining until 2016. It then stayed on a flat to slightly increasing trend until it reached 2801 thousand in 2021. This figure represents approximately 482 thousand fewer employees than in 1994 (Fig. 11.3).

Various factors have been identified as to enable containing the number of civil servants (Mabuchi, 2020). First, there are no clear regulations governing job description for each employee, thus division heads can flexibly allocate new tasks to any subordinate, looking around the whole office. Second, local governments, various organizations, and private companies could be used to perform required work. Third, personnel practices helped employees elicit efforts (see Sect. 11.4.2). Nevertheless, as it

became difficult to meet ever-increasing administrative demands with this mobilization system alone, thus non-regular employees who were not subject to the TSNA began to be used to cover the shortage.

11.4 CHARACTERISTICS OF THE CIVIL SERVICE SYSTEM

In this section, we will first discuss the national civil service, and characteristics of the local civil service system will be summarized in Sect. 11.4.6.

11.4.1 *Basic Concept*

The basic law is the NPSA, which does not apply to special positions.³

National civil servants are subject to neither the Labor Standards Act, Trade Union Act, nor other labor laws.⁴ Protection of the interests of employees is entrusted to the NPA, which is responsible for compensatory functions related to restrictions on fundamental labor rights. Article 28 of the NPSA requires a resolution of the Diet for any determination of salary and other working conditions. Furthermore, the Service Remuneration Act and Working Hours and Leaves Act, which specifically set forth working conditions, are enacted and are amended almost annually as based on the NPA recommendations.

Under the NPSA, the most important distinction among staff members is the one between full-time regular employees and non-regular employees. While the NPSA also applies to non-regular employees, special provisions in terms of their appointment, working hours, salary, and other conditions can be set forth through separate laws or the NPA regulations in accordance with the special nature of their duties and responsibilities. There are two types of non-regular employees: part-time who work shorter hours (up to three-fourths of the working hours of a full-time) and fixed-term employees. The latter type, which had previously been treated on a “daily employment” basis, has been given grounds in the NPA regulations in 2010 in accordance with their actual functions. Non-regular employees have become essential partners to respond to expanding demands. For example, reception desks of the Public Employment Security Centers run by the Ministry of Health, Labour, and Welfare could not possibly operate without a great number of highly experienced non-regular employees.

The number of non-regular employees has increased substantially in recent years, such that there were 159 thousand non-regular employees in total as of July 2021, of which over 12 thousand consisted of fixed-term

employees who work in the same outward form as full-time. To avoid making a de facto full-time employee as a loophole of the TSNA, renewal of term without public advertisement is limited up to two times. From the perspective of each ministry, this system is advantageous because it is easy to employ people under simple procedures and the costs incurred can be treated as property expenses, not personnel costs. From the perspective of employees, however, insecurity of status is compounded by the large disparity in the working conditions from those of regular employees.

11.4.2 *Recruitment and Qualifications*⁵

The NPSA states two pillars: the principle of equality (Article 27), which prohibits discrimination on the basis of sex, social status, and other grounds, and the performance-based or merit-based system (Article 33). Personnel management solely based on a demonstration of competence, being devoid of favoritism, is the foundation upon which the civil service works.

Recruitment is fundamentally based on examinations. Until FY 2012, each ministry had treated those recruited through the Level I examination as candidates for executive positions under a special career scheme, despite that there was no legal basis for such special treatment. But these operations were still different from those of the German high-level *Laufbahn* and Japan's prewar High Civil Service Examination, because employees other than the Level I stream could be promoted to a division head or executive position and actual examples existed, albeit limited in number.

The practice of giving special treatment to Level I recruits is advantageous in enticing top students from prestigious universities. But there was strong criticism that it fostered a sense of privilege in Level I recruits and led to morale degradation among other recruits. Therefore, the names and definitions of recruitment examinations changed in 2012.

Authority over personnel issues is vested in the head (minister) of each ministry. For many decades, however, this authority has been virtually entrusted to the administrative vice-minister or below.

There is also a practice peculiar to Japan, both in the public and in the private sectors, wherein the authorities unilaterally determine personnel assignments such as transfers and promotions, without requiring application by employees or checking their wishes. By extensively rotating posts every two or three years, a reputation among superiors, subordinates, members of the Diet, stakeholders, etc. comes to be established, which

generally makes it easier for everyone in the long run to accept who will ultimately be promoted to the top. In return for engaging in such one-sided personnel practices, the personnel authorities guarantee a certain level of treatment to employees, including a re-employment arrangement outside the civil service. This in turn fosters a strong sense of loyalty to the ministry to which they belong. However, there has been a strong criticism that this type of ministry-specific approach to personnel affairs facilitates the pursuit of ministry-specific interests (see Sect. 11.5.2).

The core of personnel development is traditionally on-the-job training. Exchanges of personnel among ministries and government offices are active; an official is usually transferred to other ministries a few times before promoting to division head. There is also a system of personnel exchanges with private-sector companies.

11.4.3 Employee Associations and Restrictions on Fundamental Labor Rights

While national civil servants have the right to organize (with the exception of coast guard officers and prison officers, etc.), they lack the right to conclude agreements or engage in disputes. In response to arguments that such restrictions constitute an infringement of Article 28 of the Constitution, which guarantees fundamental labor rights to all workers, the Supreme Court ruled that such restrictions are not unconstitutional, based on paragraph (2) of Article 15 of the Constitution, which posits that public officials are “servants of the whole community,” in a 1973 case known as *Zennorin* (All Agriculture and Forestry Union) dispute against the Police Act.

The Supreme Court also stated that, in restricting fundamental labor rights, measures that are commensurate with such restrictions must be taken and identified with the system of recommendations operated by the NPA, which is neutral between labor and management, as such a measure. In place of labor-management negotiations, frequent union meetings to exchange opinions have been held between the NPA and employee associations. In addition, an equity process has been established by the NPA as a quasi-judicial function for dealing with complaints from aggrieved employees. In recent years, efforts have also been made to upgrade a complaints-handling system to complement this process.

11.4.4 *Salary, Working Hours, and Leaves*⁶

Salary and other working conditions for civil servants are determined by the Diet, after a bill based on the NPA recommendations is submitted by the cabinet. The principle to change conditions to adapt to general societal conditions (Article 28 of the NPSA) is set forth; adaptation to conditions as used herein is interpreted as being essentially based on “a state of balance with private-sector companies,” in light of its nature as an alternative to labor-management negotiations.

While the salary comparison method for many decades had been based on companies with a workforce of 100 or more employees, it has been expanded in scope since 2006 to those with a workforce of 50 or more. Rather than taking an approach that would simply match the private-sector average, calculating the total differences by compiling figures for persons engaged in similar kinds of equivalent work has been adopted (Laspeyres Index methodology).

Recommendations are submitted both to the Diet and to the cabinet every summer. It is customary to recommend an increase or decrease in pay to strike a strict balance, even if the difference amounted to much less than 5%.

The recommendation system is a compensatory measure for restrictions placed on fundamental labor rights, thus the cabinet normally submits a bill in accordance with drafts prepared by the NPA. There have, however, been two major exceptions: the freezing or cutting of a salary-raise recommendation for the purpose of fiscal reconstruction (FY 1982–1984) and substantial salary cuts (7.8% on average) in response to the Great East Japan Earthquake of 2011 (FY 2012–2013).

Working hours and leaves are also determined based on a public-private balance according to the principle of adapting to general societal conditions. However, it is not as strictly interpreted as it is for salaries. The public sector sometimes leads, such as the adoption of a five-day workweek and the introduction of volunteer and donor leaves, aiming to promote these initiatives to the private sector. On the other hand, while a cap on overtime work with penalties has been introduced to the private sector since FY 2019, civil servants are exempt from the imposition of penalties and exceptions to the cap have been established to ensure the stable provision of administrative services.

Retirement pensions and lump-sum retirement payments are not directly subject to the NPA recommendations, but recently there has been

a call for a public-private balance for these matters, assuming that public service had been unfairly favored. Mutual-aid pensions have been folded into the welfare pension system applicable to private-sector workers since October 2015. For lump-sum retirement payments, the NPA has been conducting public-private comparative surveys in the same way as it does for salaries, once every approximately five years since 2006. In 2011, these payments were reduced by more than 4 million yen on average based on its recommendation.

It had been long taken for granted that the salaries and leaves of non-regular employees are treated differently from those of full-time employees. As the movement to achieve equal pay for work of equal value has been strengthened in the private sector in recent years, however, the NPA has called upon each ministry to pay allowances and benefits upon taking a state of balance with full-time employees into account. The NPA regulations governing leaves have been also amended to bring leaves more in line with that of full-time employees.

11.4.5 Service Regulations and the Guaranteeing of Status⁷

National civil servants are subject to service regulations that are stricter than those that are applicable to private-sector employees. Certain violations can even result in punishment by penalties. In addition to labor disputes (see Sect. 11.4.3), political acts as enumerated in the NPA regulations are also subject to punishment.

Violations of the duty of confidentiality are also subject to penalties. Furthermore, staff members and relevant contractors who handle specific secrets on matters of defense, diplomacy, terrorism, and other sensitive areas have been obligated to undergo suitability investigations since 2014; penalties for breach are higher than in the case of ordinary confidentiality.

Moreover, the National Public Service Ethics Act was enforced in 2000 to ban receiving gifts or entertainment from concerned parties, even if such actions do not correspond to bribery under criminal law.

The status of employees is guaranteed except where their performance is not good enough to fulfill their responsibilities due to a mental or physical impairment or a lack of aptitude. However, an employee can be also dismissed if his/her post is eliminated by reorganization or some other factors. When the Social Insurance Agency was abolished at the end of 2009 and converted into a private-sector organization, 525 employees

were dismissed for the reason of overstaffing.⁸ Furthermore, 2014 saw the establishment of a new special demotion system along with the introduction of a centralized personnel management system for executive personnel. If a minister wishes to appoint a different official to a given executive post, s/he can demote the incumbent to a lower post under certain conditions, even if the incumbent's service performance record is favorable.

While the mandatory retirement age had been set to sixty years (with some exceptions), it was enacted that this would be raised every two years from FY 2023 and become sixty-five years in FY 2031.

11.4.6 Characteristics of the Local Civil Service System⁹

As mentioned earlier, the local civil service system is essentially in accordance with the national civil service system. However, the law on which it is based is a different basic law (the LPSA). This section, in the course of comparing both systems, shows several points that are regarded as characteristics of the local civil service system.

First, an ordinance-based system has been adopted under the LPSA. In other words, a local government is to set forth required provisions concerning local civil servants in its own ordinances to the extent that they do not violate the spirit of the LPSA. For this reason, there can be substantial differences among systems related to employees from one local government to another.

Second, local civil servants, in principle, are subject to the Labor Standards Act, which is a statute that is applicable to private-sector workers. This principle contrasts with the fact that national civil servants are completely exempt from the Labor Standards Act. It should be noted, however, that there are considerable exceptions to this principle.

Third, restrictions on political activities imposed on local civil servants are more relaxed than those that are imposed on national civil servants.

Fourth, local civil servants still include a significant number of blue-collar civil servants who no longer exist in the national public service system and educational civil servants whose numbers have gone down considerably at the national level due to the incorporation of national universities.

Fifth, local governments have established personnel and fairness committees as institutions that are the equivalent of the NPA at the national level. However, the authority of these committees is weaker than that wielded by the NPA.

11.5 EXPECTATIONS AND CONSEQUENCES OF REFORMS¹⁰

11.5.1 *Background of Reforms*

Until the mid-1980s, people's expectations of politics remained low, as a well-known saying goes: "We have third-rate politics, a first-rate economy, and top-notch bureaucracy." Since the whole pie kept growing in size, inter-ministerial competition functioned effectively to maintain bureaucratic morale amid expanding demanding workloads, supported by a positive sense that one's own efforts would bring a bigger piece of the pie.

However, the Recruit Company Scandal of 1988 led to the arrests of former administrative vice-ministers from two ministries for bribery. Subsequent scandals crushed trust in civil servants, who up until then had enjoyed a high reputation as being cleaner than politicians. In addition, the world has witnessed the end of the Cold War and the progression of globalization since the 1990s. Japan has also seen the decline in birthrates and the acceleration of the aging of society, a rapid increase in budget deficits, and economic stagnation after the collapse of the bubble economy. Amid these changing circumstances, the capability of bureaucracy to hammer out appropriate policies has come to be questioned.

To enhance the Prime Minister's leadership, political reforms, such as the introduction of a single-seat constituency system and a reorganization of government to reinforce cabinet functions, were first implemented. Next, reforms to make public administration respond to meet needs of the entire country, rather than those of the vested interests, came to form a pillar of the political agenda from the late 1990s.

11.5.2 *Realized Reforms*

While many measures were put forth as part of the reform process, not all of them were actually realized, partially because of conflicting directions among them.

The first direction was known as equal footing, which intended to bring the personnel administration of the civil service more in line with that of the private sector. It includes revisions to encompass salary comparisons with smaller companies, to make balance of retirement benefits with those of the private sector, to introduce a mandatory personnel evaluation system, and to prohibit outside re-employment arrangement activities. Efforts to grant labor-negotiation and agreement-conclusion rights to

civil servants were also made as a part of this direction, though they eventually failed to come to fruition. To follow the efforts made by the private sector, where personnel cuts and organizational restructuring were pursued, the number of ministries was decreased, and government enterprises were transformed into independent administrative corporations or privatized. Further personnel cuts were pursued by establishing a new fixed-term staffing system and replacing staff members with non-regular employees.

At the same time, reforms specific to the civil service were also promoted. This type of reforms started with the enforcement of the National Public Service Ethics Act (2000). Another is the centralization of personnel affairs in the hands of the Prime Minister, which became the core of reforms after 2007. It went in the opposite direction to that of private-sector companies, which were urged to appoint board directors from outside in order to reinforce supervision over the CEO from an independent perspective.

In advance of specific legal amendments, the Basic Act on Reform of National Public Service System (hereinafter referred to as “the Basic Act”), which set forth various programs to be realized in the next five years, was enacted in 2008.

Amendment bills to realize the Basic Act were submitted in 2009, 2010, 2011, but later discarded. Each of these bills reflected only some of the programs enumerated in the Basic Act. Provisions related to granting the right to conclude agreements were only included in the 2011 bill, which was submitted under the Democratic Party of Japan (DPJ) government.

The fourth bill that was submitted in 2013, a year after the return of the LDP to power, was enacted in April 2014 and launched a system under which decisions concerning around 600 personnel (administrative vice-ministers, executive directors, and deputy executive directors in all ministries) would be made by the Prime Minister and the Chief Cabinet Secretary in consultation with each minister in charge. The Cabinet Bureau of Personnel Affairs was established within the Cabinet Secretariat to deal with these affairs, and some of the measures that had been carried out by the NPA were also transferred. However, a majority of other measures set forth in the Basic Act remained deferred.

11.5.3 *Evaluation of Reforms*¹¹

Reforms implemented since the 1990s have affected public administration, in both positive and negative ways.

The Prime Minister's Office has come to issue more instructions in advance; the bottom-up policymaking from the ministry in charge of front-line implementation, followed by inter-ministerial consultations, has been turned over. Some institutional reforms have been consequently realized in such areas as national security and labor legislation, which had long been at a stalemate due to substantial conflicts among various stakeholders. Because the policymaking process has not been accompanied by transparent procedures, however, confirmation by objective evidence and verification of long-term effects have come to be neglected. A tendency of bureaucrats to "make up" results by surmising desires of the Prime Minister has become notable (Shimada-Logie, 2021). It is described as the transformation of "bureaucracy from (policy) leaders to lackeys" (Nonaka, 2020).

While support for the principle of political leadership per se is strong, trust in politicians and elections remains low as revealed in public opinion polls.¹² In contrast, trust in the Self-Defense Forces has been increasing with every major natural disaster.¹³ Apparently, the people evaluate public administration by visible commitments of frontline civil servants rather than by the strength of political control.

Furthermore, the number of applicants for civil service examinations continues to decline, the percentage of officials graduated from top universities has plummeted, and the number of resignations of young officials has been soaring.

As the assumption that political control is a panacea to solve any dysfunction was disproved, mass media and academic circles have eventually started to mention to human and material resources insufficient to meet demands. For example, it is said that the consolidation and elimination of public health centers in response to criticisms of waste prevented an effective response to the COVID-19. Amid continuous pressure for reduction in personnel costs, fragility of policymaking and the execution of policies to safeguard the people have become evident.

11.5.4 *Changes in Local Governments*¹⁴

Even as respect for the autonomy of local governments has been maintained amid a process of decentralization, the institutional framework of

the local civil service system has to date essentially undergone the same types of reform as have been implemented for the national civil service system.

Changes in personnel-related organizations made as part of a review of the relationship between politicians and bureaucrats at the central government level have not occurred at the local government level. It is thought that this is because authority over personnel matters is institutionally concentrated in the hands of governors and mayors, who are directly elected by local residents.

On the other hand, the central government's *small government* orientation has also put pressure on local governments to reduce the size of their civil service. The central government's requests and advice to local governments and the local governments' own decisions continued to reduce the number of local civil servants, as described as above.

In this way, non-regular employees (temporary and part-time staff members) came to fulfill a huge role in local government as the number of regular employees decreased. In FY2016, there were 643 thousand non-regular employees, which was about a quarter of the 2737 thousand regular employees who were working during the same period.

This increase in the number of non-regular employees gave rise to significant personnel management challenges in terms of the payment of benefits and the application of confidentiality obligations. Each local government implemented its own ideas to deal with these challenges. These attempts to address these challenges could only go so far, however, which meant that an institutional response by law became inevitable. For this reason, the central government in 2017 established the fiscal year staff appointment system that allows the same measures as are applicable to regular employees to be taken as concerns allowance payments and confidentiality obligations. As of April 1, 2020, approximately 90% of non-regular employees comprised employees who were appointed under this fiscal year staff appointment system.

This fiscal year staff appointment system can be said to have provided a foundation to allow individuals who wish to work as civil servants for local governments to demonstrate their abilities in the context of public service in a form that is consistent with their lifestyles. The establishment of this system can be regarded as an attempt on the part of the central government, which had been promoting efforts to reduce the number of local civil servants in accordance with its small government orientation, to address the issue of an increase in the number of non-regular employees

in local governments, which was attributable to this orientation, through the development of a system grounded in national law.

11.6 CONCLUSION

With the rapid increase in administrative needs, demand for a strong *and* small government has been barely maintained by excessive amounts of overtime work of regular employees and the drastic surge in the number of non-regular employees under inferior working conditions. Voices of the civil service calling for an appropriate distribution of resources had been repelled as a pursuit of each ministry's interests. However, reforms which attempted to solve all problems by strengthening loyalty to the Prime Minister have ended up causing the further exhaustion of civil servants and lowering their morale. It has also exposed the fragility of the public administration system, which relies on the commitment of frontline civil servants in times of crisis.

In a country like Japan, where people's expectations that the government will ensure each individual's safety are especially high by international standards,¹⁵ the pursuit of a smaller civil service inevitably gives rise to various distortions. Discussion of "staffing according to workload" has recently become no longer a taboo, which might be the first step from armchair theory to objective verification in dealing with the civil service. It is urgently needed to review personnel policies from the standpoint of workers to attract a wide range of competent individuals and help them devote themselves to their duties without anxiety, in such terms as clarification of their job responsibilities, transparency of personnel procedures, provision of diverse forms of work arrangement, and improvements in working conditions.

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NOTES

1. See also Chaps. 2, 3, 14, and 22.
2. Employees of government enterprises may include those without a "civil servant" status, such as national university employees.
3. Among special positions, staff members of the Diet, Court, and the Ministry of Defense are under a separate law to each, which sets forth simi-

- lar principles to those of the NPSA. Those who in the foreign service (excluding ambassadors and envoys) and public prosecutors are subject to the NPSA, but certain exceptions are applied.
4. Some independent administrative corporations consist of executive administrative agencies, whose employees are exceptionally treated as national civil servants. These employees are subject to private labor legislation with the exception of the right to strike.
 5. See Chap. 17 for more information.
 6. Ibid.
 7. See also Chap. 9.
 8. Among dismissed, seventy-one people submitted a request for review to the NPA, and twenty-five out of them had their dismissals rescinded due to procedural problems.
 9. See also Chaps. 3, 7, and 17.
 10. See also Chaps. 9, 17, and 22.
 11. See also Chap. 16.
 12. <https://business.nikkei.com/article/interview/20150302/278140/022300001/>
 13. See Chap. 21 for more information.
 14. See also Chaps. 3, 7, and 17.
 15. <https://institute.dentsu.com/en/articles/126/>. See Chap. 21 for more information.

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Public Finance

Masaru Mabuchi

12.1 INTRODUCTION

In this chapter, I will discuss public finance and particularly the general account budget of the country.

First, I will examine the positioning of budgets in Japan by way of comparing it with other laws. Budgets have points in common with and points of difference from laws. The former includes the fact that neither a budget nor a law can be enacted unless the Diet, as the highest organ of state power, adopts a resolution (Article 86 of the Constitution).

On the other hand, there are several points of difference between budgets and laws. First, a draft budget must first be submitted to the House of Representatives (Article 60 of the Constitution). This is known as the House of Representatives' priority in budgetary discussions. In draft budget deliberations, once the House of Representatives adopts a resolution, the budget will be automatically enacted thirty days later even if the House of Councilors has not yet completed its deliberations.

Second, it is required that the budget for the following FY be enacted by the end of the current FY and implemented from the beginning of the

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new FY. If a budget is not enacted before the start of the new FY, a *stopgap budget* will be submitted to prevent government activities from shutting down. However, since a *stopgap budget* can only cover minimally necessary administrative expenses, administrative delays will be caused, which means that a government should try to pass a main budget as much as possible.

Third, the Cabinet alone, and not the Diet, has the right to propose a draft budget, unlike bills.

12.2 BASIC STRUCTURE OF THE NATIONAL BUDGET

12.2.1 *Sources of Funds*

The primary source of funds for a general account budget is taxes but government bonds, of which there are two types.

The first is *construction bonds*, which are permitted under Article 4 of the Public Finance Act. It is based on the idea that amounts equivalent to expenditures for public works remain as assets for future generations of citizens, such that there will be no intergenerational inequities. Construction bonds have been issued in Japan since the general account budget of FY 1966.

The second is known as *deficit-covering government bonds*, the issuance of which has been banned by the Public Finance Act since they only cover deficits in terms of personnel and agency expenses and do not generate any residual assets for future generations of citizens. In reality, however, they were issued for the first time after the Second World War as part of a supplementary budget in FY 1965. After a bit of a hiatus, they came to be continuously issued since FY 1975. By enacting a one-year act concerning special measures on public debt each and every year, the government is able to issue these deficit-covering government bonds.

12.2.2 *Budget Bureau of the Ministry of Finance*

The Ministry of Finance's Budget Bureau has a director-general and three deputy directors-general, as well as a number of departments and eleven budget officers whose rank is equivalent to that of a section manager. Chief budget officers play an important role in the compilation of an expenditure budget. Nine of the eleven chief budget officers assess requests from ministries while the remaining two are in charge of oversight, planning, and legislation. While the nine chief budget officers are directly

involved in the assessment process, the other two are also important. The officer for oversight and planning creates the framework for the overall budget, including by estimating the total budget amount (12.3.2.4), and the officer for legislation reviews budget-related laws (12.3.5).

12.3 PROCESS OF DRAFTING AN EXPENDITURE BUDGET

In this section, I will describe the process by which an expenditure budget is drafted.

12.3.1 *Request for Budgetary Appropriations*

In Kasumigaseki, the process by which a budget for the next FY is drafted starts immediately after the budget for the current FY is passed by the Diet.

12.3.1.1 *Bottom-Up Approach*

The first stage consists of work carried out at the departmental level in each ministry. The groups, sections, and other units within a department each makes a budget request to the department, whereupon the department will then sift through the options and make various selections.

The second stage consists of work carried out at the bureau level. At this stage, each department makes a budget request to the bureau to which it belongs, which in turn will then sift through the options and make various selections. Assessments are conducted by the general affairs department of the bureau.

The third stage consists of a decision on budget requests made at the ministerial level. Requests submitted by bureaus are assessed by the accounting department of the minister's secretariat. At this stage, budget requests received from the ruling party's policy organization are incorporated.

Finally, a formal request for budgetary appropriations for the given ministry is submitted to the MOF for its assessment by no later than the end of August.

12.3.1.2 *Ceiling for Budgetary Appropriation Requests*

While the MOF assesses budgetary appropriation requests submitted by ministries beginning in September, it is at a prior stage, usually in June, when the Basic Policy on Economic and Fiscal Operations and Reform ("large-boned" policy) is decided, according to which standards

applicable to ceilings for budgetary appropriation requests are determined in late July. The ceiling for a budgetary appropriation request is the maximum amount that a ministry can request from the MOF and is expressed as a percentage of the previous FY's budget. This point will be discussed in Sect. 12.3.4.

12.3.2 *Original Drafts by the MOF*

A budgetary appropriation request submitted by a ministry is assessed by the Budget Bureau. It is for this purpose that the Budget Bureau interviews the ministry in question.

12.3.2.1 *Interviews*

The head of the General Affairs Department of each ministry's bureau interviews the chief inspector, the head of each ministry's bureau interviews the chief accountant, and each ministry's vice minister interviews the Budget Bureau's deputy director-general. It is notable that each official with the MOF interviews bureaucrats of a higher rank than himself or herself in other ministries. These bureaucrats from other ministries personally visit the MOF and sit in chairs laid out in the hallway to await their turn for an interview. During an interview, Budget Bureau bureaucrats invite bureaucrats from other ministries to explain the contents of their budgetary appropriation requests, ask questions, and request additional materials.

12.3.2.2 *Assessment Techniques*

As Aaron Wildavsky once indicated,¹ the techniques utilized in the assessment of budgets, whether in developed or developing countries and whether for national budgets or local budgets, have many points in common. The same can be said of Japan. The first such point is incrementalism, a concept that regards almost all past decisions as given and that focuses only on marginal changes in responding to new conditions. The second such point is simplification, a concept that places the focus more on administrative aspects, such as in terms of the appropriateness of labor cost estimates and unit cost estimates, than on studying the importance of projects and the expected effects in detail.

12.3.2.3 *Meetings of the Budget Assessment Bureau*

In October, Budget Assessment Bureau meetings commence. There are two types of these meetings with the first dealing primarily with administrative expenses in the general account and the second dealing primarily with large-scale expenses for general account public works expenses and facility expenses, special accounts, and the budgets of governmental organizations. In this section, I will set the scene for a meeting coming under the first of these two types of Budget Assessment Bureau meetings.²

The deputy director-general sits at one end of a large table in his or her office with several staff members while chief budget officers, chief inspectors, assistant directors, section chiefs, and others sit at the other end. Their hands hold a document known as the “three-tiered table.” A chief inspector explains each item to the deputy director-general according to this table, which can run to 1000 pages. The deputy director-general then asks questions from various angles, such as the basis of an assessment and obtains additional explanations from the chief inspector. Ascertained figures are entered in the current years’ assessed amount column of the three-tiered table. While the chief inspector might have complained about the proposed budget to ministry officials, he or she will assert that this budget is absolutely necessary to the deputy director-general at bureau meetings. This represents exactly the way the system of offensive and defensive sides taking turns on the field of play works. While the chief inspector is struggling mightily with the deputy director-general, the chief accountant makes statements only when the chief inspector is at a loss for an explanation and needs to be rescued. For the chief inspector, the first bureau meeting, which is when he or she would be showered with questions from the deputy director-general in a rapid-fire manner, is a nerve-racking situation indeed.

12.3.2.4 *Estimation Work for the Overall Budget*

While the Budget Bureau carries out work to build up one case at a time based on requests submitted by each department of each ministry, it also engages in work to estimate the budget as a whole. John C. Campbell (2014)³ was the one who named the former *micro-budgeting* and the latter *macro-budgeting*. The person responsible for micro-budgeting is the chief accountant in charge of oversight and planning (⇒12.2.2).

Estimation work is carried out over several rounds in order to “facilitate a comparison with estimated revenue amounts and take into account

various pieces of information, political trends, and other factors” (Noda, 1985, p. 82).⁴

In this manner, the draft budget for the MOF is compiled by around the end of December.

12.3.2.5 Unofficial Release of the MOF Draft

The MOF draft is reported at a meeting of the Cabinet. Immediately afterward, the chief accountant unofficially releases it to the chief of the accounting department of each ministry. He or she brings this draft back to his or her own home organization where it will be studied in an effort to determine which reduced or rejected items should be submitted as part of a revival negotiation. Budget Bureau bureaucrats shall also explain this draft to the ruling party’s policy organization.

Revival negotiations begin the day after the MOF draft is unofficially released.

12.3.3 Revival Negotiations

The way revival negotiations are conducted has been changing ever since the Liberal Democratic Party (LDP) came to power in 1955. These days, however, they are generally conducted across two stages: administrative and ministerial negotiations.

12.3.3.1 Administrative Negotiations

Administrative negotiations are conducted at three levels: the department head’s level, the bureau chief’s level, and the vice minister’s level. Problems that cannot be resolved at the department head’s level are escalated to the bureau chief’s level and problems that cannot be handled at the bureau chief’s level are escalated to the vice minister’s level. While these negotiations have become less active in recent years, politics is still an element in these negotiations. On the whole, however, budgets are not significantly revised at the administrative negotiations stage.

12.3.3.2 Ministerial Negotiations

Items that have not been settled through administrative negotiations undergo ministerial negotiations between ministers and the Minister of Finance. For ministers, these negotiations are an important opportunity to wield their political power. While ministerial negotiations have always been conducted, the time spent on them has shortened considerably. In

the 1960s and 1970s, it was hardly unusual for them to take around a week to complete. In recent years, however, matters are settled in around two days. This is because politically critical matters are more or less determined at the stage where the ceiling for budgetary appropriation requests is determined (⇒12.3.4.3).

12.3.3.3 Revival Funding

The total budget amount indicated in the MOF draft will not change through revival negotiations. This is because funding for revival is hidden therein. The MOF takes the lead in negotiating for revival by keeping the scale of funding available for revival a secret.

12.3.3.4 Ruling Party and Budgeting

A budget that supports policies is important for everyone involved in these policies. In Japan, a country where the primacy of the budget, which will be described later (⇒12.3.5), has been established, budgets are especially important. Thus, the people who were involved in budgeting and the manner of their involvement also changed with the changing political situation. Nevertheless, the biggest change of all was the involvement of the LDP. This change occurred against the backdrop of active budgetary demands made by pressure groups and the acquisition of specialized knowledge by LDP members due to having been in power for a long period of time. During the rule of the Democratic Party of Japan (DPJ) between 2009 and 2012, the DPJ was deeply involved in budgeting by way of the review and prioritization of government programs. See Chap. 19 for more information on this topic.

12.3.4 Ceiling for Budgetary Appropriation Requests and Changes in the Ceiling

The term “ceiling for budgetary appropriation requests” has already been mentioned in Sect. 12.3.1.2. First introduced in 1961, it was later abolished for a bit under the rule of the DPJ before it was quickly reinstated. It is a system that has been in use for more than half a century and undergone two changes that could be observed during this period.

12.3.4.1 Time of Introduction

When the system setting forth a ceiling for budgetary appropriation requests was established in 1961, the aim was not so much to limit the

extent of disbursements as to make manpower savings. The requesting government offices had to produce supporting documents to make budget requests. These documents had to be produced just as carefully as other such documents even for budget requests that were likely to be rejected by the Budget Bureau. This was a waste of manpower. It was also a waste of manpower for the Budget Bureau to spend time to assess such budget requests. Setting a ceiling for budgetary appropriation requests was an attempt to reduce such a waste of manpower. As indicated in Table 12.1, the initial ceiling figures were generous.

12.3.4.2 Budget Reductions

However, the aim was changed to compel requesting parties to make choices by reducing the amounts of their budget requests. In the 1980s in particular, a zero or negative ceiling became the norm. Therefore, any budget requests made for new policies at the time had to be accompanied by a budget reduction for existing policies of at least an equivalent amount. The aim became budget compression.

12.3.4.3 Prioritization

Imposing a uniformly stringent ceiling on the budgetary appropriation request of each ministry made it difficult to allocate large budgets for policies that the Cabinet wanted to promote, such as policies for the promotion of science and technology and measures to address the declining birthrate and aging of the population. In this connection, after a strict

Table 12.1 Initial ceiling figures for budgetary appropriation requests

<i>Fiscal Year</i>	<i>Initial ceiling figures for budgetary appropriation requests</i>
1961–1964	Up to 50% of the budget for the previous Fiscal Year
1965–1967	Up to 30% of the budget for the previous Fiscal Year
1968–1971	Up to 25% of the budget for the previous Fiscal Year

ceiling was imposed in principle, expenses that were not bound by this ceiling came to be set up under various names and posted as special entries.

In this way, the ceiling for budgetary appropriation requests, the aim of which was initially to generate manpower savings before it was to reduce expenditures, gradually came to be set in order to prioritize policies at an early stage of the budgeting process.

12.3.5 *Primacy of the Budget*

Having carefully analyzed the budgeting process in Japan from the 1960s to the mid-1970s, John Campbell characterized Japan's policymaking process in terms of the "primacy of the budget."

A budget can be said to be a monetary expression of policy. Prosaically, this means that the implementation of a policy requires budgetary backing. While budgetary restrictions cannot be ignored when formulating a policy, there is nevertheless a sequence to be followed; the policy comes first before a budget is to be studied as a way to support the policy. For example, a policy calling for a bid for the Olympic Games to be made is first determined. While a total approximate amount of a budget for this purpose will be considered, a detailed budget will not yet be compiled at this point in time. This is because a decision as to whether or not a formal Olympic bid will be made is the top priority and because a detailed budget will be compiled after the policy itself is determined. Campbell, however, asserted that this order is reversed in Japan in many cases (Campbell, 2014, p. 2).⁵

Whenever new legislation is needed to execute a budget—for example, when a statute for a new measure, a tax reform law to backstop revenue, or a special law on public debt for the issuance of deficit-covering government bonds must be enacted—deliberations are carried out in the Diet after a budget is passed as a budget-related bill. A budget is passed before a law can be created. It must be noted that budgets have been granted a very special status in Japan. The only areas where the concept of budget primacy is not observed are budgets for public works projects for which policies are determined in advance and special accounts that are supported by specific financial resources (earmarked revenue sources). In this connection, I will explore specific accounts next.

12.4 SETTLEMENTS OF ACCOUNTS AND ACCOUNTING AUDITS

The settlement of accounts and the Board of Audit are governed by Article 90 of the Constitution as follows:

Final accounts of the expenditures and revenues of the State shall be audited annually by a Board of Audit and submitted by the Cabinet to the Diet, together with the statement of audit, during the FY immediately following the period covered.

I will explain how the settlement of accounts and the Board of Audit work by using this article as a starting point for this discussion.

12.4.1 Institutional Positioning of the Settlement of Accounts

The first point to be made is that “the Cabinet ... shall submit [accounts] to the Diet.” While budgets need to be *passed by way of a vote* by the Diet, the settlement of accounts only needs to be *submitted* to the Diet. Thus, a rejection of the settlement of accounts by a plenary session of the Diet has utterly no legal effect and the statement of accounts will not need to be rewritten.

The second point to be made is that “the principle holding that any matters left unresolved at the end of one Diet session are not to be carried over to the next” does not apply to the settlement of accounts. Once the settlement of accounts has been submitted to the Diet, it will be carried over to the next session if it fails to be voted on in the current session. In this way, the settlement of accounts is treated as being less important than general legislation let alone a budget (Nishikawa, 2003, pp. 22–23).⁶

12.4.2 How the Board of Audit Works

The third point is summarized in the statement: “Income and expenditure accounts of the state shall be fully audited each year by the Board of Audit.” Let us examine the organization of the Board of Audit.

12.4.2.1 Independent Status

The Board of Audit “has an independent status vis-à-vis the Cabinet” (Article 1 of the Board of Audit Act). In contrast to the courts and judges,

the independence of the Board of Audit is not expressly stipulated in the Constitution. Given the nature of its authority to audit accounts, which is an action carried out by the Cabinet, its independence from the Cabinet is constitutionally recognized. The independence of the Board of Audit from the Diet is also recognized based on the government's response in the past.

12.4.2.2 Auditors

The decision-making body of the Board of Audit is a meeting of auditors, and the meeting is a parliamentary body comprising three auditors. This is because careful decision-making and fair judgments are required. The head of the meeting is elected by the auditors. The term of office is seven years and the status of each auditor is guaranteed during his or her term in order to ensure his or her independence.

12.4.2.3 Investigators

Audits are conducted by the General Secretariat. The General Secretariat consists of a secretariat and five bureaus under a secretary-general. The ones who directly engage in audits in the field are investigators and assistant investigators belonging to the General Secretariat. In addition to those who majored in the study of law or economics, many come from a technical background, having majored in civil engineering, architecture, mechanical engineering, electricity, electronics, or other such fields. Assistant investigators are recruited by the Board of Audits from among those who have passed the national civil service recruitment examination. An assistant investigator gains experience in the field, undergoes several rounds of training, and passes an internal examination for evaluation before he or she is promoted to investigator. The standards applicable to audits are presented in Chap. 19.

12.5 FISCAL RELATIONS BETWEEN THE CENTRAL AND LOCAL GOVERNMENTS: REVENUE

The relationship between the central and local governments and the way local governments work are presented in Chap. 7. The finances applicable to these levels of government are described here. Figure 12.1 is a figure illustrating the revenue and expenditure ratios of the central and local governments.

As shown in Fig. 12.1, national taxes and local taxes account for approximately 70% and 30% of total revenue, respectively. In addition to taxes, the central government can also generate revenue by issuing national

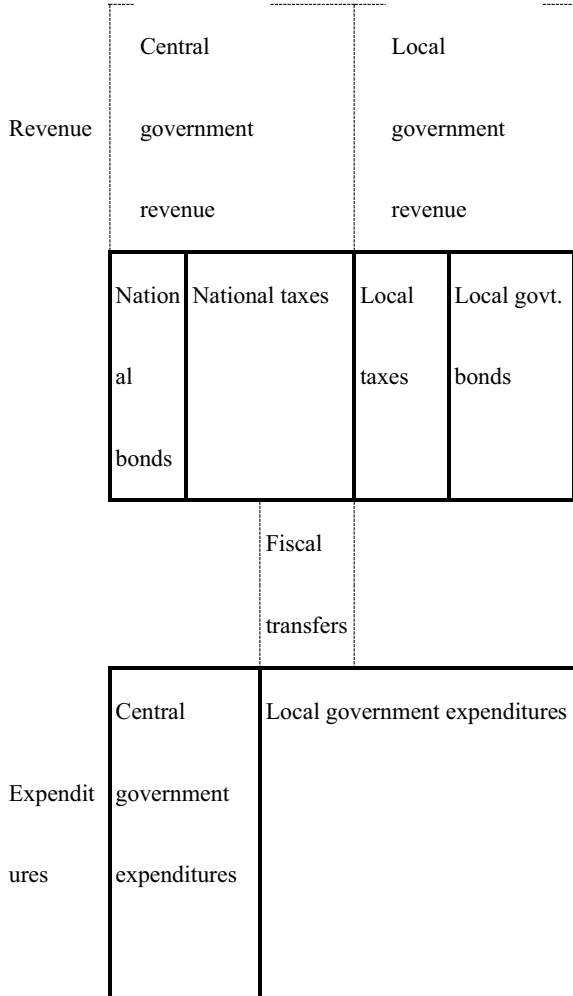


Fig. 12.1 Illustrating fiscal relations between the central and local governments

bonds while local governments have the option of issuing local government bonds (\Rightarrow 12.5.2).

Next, a look at expenditures reveals that the ratio is almost entirely reversed with the central government and local governments accounting for approximately 30% and 70% of total expenditures, respectively. This is because fiscal transfers are made from the central government to local governments. Fiscal transfers are carried out in two different ways. The first is known as subsidies. Funds are allocated by ministries to local governments subject to the condition that they be used for a specific purpose in each case. The second is known as local allocation taxes, which are allocated by the Ministry of Internal Affairs and Communications. For most local allocation taxes (general tax allotments), specific purposes are not specified. Accordingly, the financial resources available to local governments consist of local taxes, so-called subsidies, local allocation taxes, and local government bonds. I will provide an explanation of each of these types of financial resources in turn below.

12.5.1 *Local Taxes*

There are several types of local taxes, including those that were revised or newly established through decentralization reform in 2000.

12.5.1.1 *Statutory Taxes*

Taxes to be collected by local governments are prescribed by the national government pursuant to the Local Tax Act (Article 5 of the Local Tax Act). These are known as *statutory taxes*. Statutory taxes consist of statutory ordinary taxes for which no purpose of use has been specified and statutory special-purpose taxes.

12.5.1.2 *Non-statutory Taxes*

There are, apart from statutory taxes, taxes that can be collected by local governments at their own discretion. These are called non-statutory taxes and their system was changed through decentralization reform in 2000.

Even prior to decentralization reform, there existed non-statutory taxes for which no specific purpose of use was specified—in other words, non-statutory ordinary taxes (though these accounted for less than a percent of total local taxes). Examples include the villa tax and nuclear fuel tax. However, establishing such taxes required the permission of the central government. Decentralization reform caused the permit system to be

replaced with a consent system. In other words, it became possible for a local government to introduce a non-statutory tax by consulting with the national government and obtaining the national government's consent based on this process.

In addition, a system for non-statutory special-purpose taxes for which a specific purpose of use has been specified was established through decentralization reform in 2000. As with non-statutory ordinary taxes, this system is based on consultations.

12.5.2 *Local Bonds*

There are two main types of local bonds.

12.5.2.1 *Article 5 Bonds*

Article 5 of the Local Finance Act permits the issuance of local bonds in the following cases:

- To finance expenses incurred by a public enterprise engaged in a transportation operation, gas operation, water services, or other such operation
- To finance a source of funds for capital contributions and loans
- To finance expenses incurred for the refinancing of local bonds
- To finance various projects for implementing disaster countermeasures
- To finance the costs of constructing public facilities and the costs of acquiring land related thereto

(1) and (2) are permitted since revenue obtained from the given operation will provide a source of funds for repayment, (3) is permitted since there would be no increase in debt, (4) is permitted since the projects in question must be implemented for unexpected reasons, and (5) is permitted since the benefits of the given project extend to future generations of residents and since the given project will generate funds for repayment. It is probably fair to say that the issuance of local bonds is permitted in most cases where the reason is the same as one that would allow the national government to issue construction bonds.

12.5.2.2 *Special Bonds*

In addition to Article 5 bonds, there are also local bonds that can be issued as special exceptions. A typical example is local bonds that municipalities in geographically disadvantaged locations, such as mountainous regions

and remote islands, are authorized to issue. In many cases, the central government repays these bonds by adding amounts to local subsidies paid to local governments. Thus, they are de facto subsidies.

12.5.2.3 Replacing the Permit System with a Consent System

Major systemic changes were made in connection with the issuance of local bonds. Prior to the reform of 2000, provisions of the Local Autonomy Act of 1947 required that prefectures and ordinance-designated cities obtain permission from the central government and that general municipalities obtain permission from the prefectural governor. The reform of 2000 replaced the permit system with a consent system and set the implementation of this change to FY 2006. The issuance of local bonds, like the creation of non-statutory taxes, came to be subject to the consent of the central government through consultations between the central and local governments.

12.5.3 Fiscal Transfers 1: Subsidies and Others

Various types of subsidies are granted by the central government to local governments through various different ways.

12.5.3.1 Types of Subsidies

We generally refer to this kind of fiscal transfer as subsidies. Strictly speaking, there are three types of subsidies: state consignment funds, state liability funds, and state subsidies.

State consignment funds refer to funds for tasks over which the central government essentially has jurisdiction but whose implementation has been entrusted to local governments for efficiency-related reasons. Examples include funds for national elections and the national census.

State liability funds are funds that are granted in accordance with the law for tasks for which the central and local governments are jointly responsible. Examples include the salaries of public elementary and junior high school teachers (Chap. 6) and public welfare payments (Chap. 8).

State subsidies are funds paid by the central government to local governments to encourage local governments to carry out specific tasks.

12.5.3.2 Problems with Subsidies

Problems can arise when a local government shoulders a greater percentage of costs than they are statutorily required to do because the method

by which state liability funds are calculated is inappropriate. However, most of these problems have to do with state subsidies. The various ways in which the central government is involved in local affairs are problematic.

I will explore just two such problems here. The first is the tendency of local governments to prioritize projects that the central government is trying to promote with subsidies over their own projects for which state subsidies are not being provided (Muramatsu, 1988, p. 147).⁷ Second, a substantial amount of energy is expended by local governments since procedures to apply for subsidies are complex.

12.5.4 *Fiscal Transfers 2: Local Allocation Taxes*

Local allocation taxes are a general source of funds for local governments that can be freely used.

12.5.4.1 *How Local Allocation Taxes Work*

The total amount of local allocation taxes equals a fixed amount of national tax revenues. As of 2019, it was 33.1% of income tax, 50% of liquor tax, 33.1% of corporate tax, 20.3% of consumption tax, and 100% of local corporate tax. The percentage of national tax revenues accounted for by local allocation taxes had been increasing ever since they were set up in 1954. However, this percentage was reduced by a trinity of reforms first introduced in 2006 (\Rightarrow 12.5.5).

Method by which local allocation taxes are allocated: 94% of local allocation taxes are automatically allocated to local jurisdictions with insufficient financial resources as described below. Since general local allocation taxes are intended to compensate for a lack of financial resources, they are not distributed to local jurisdictions with sufficient resources. The remaining 6% of local allocation taxes are allocated as special local allocation taxes to address special fiscal demands, such as disaster recovery. An amount equivalent to the shortfall in financial resources is given as general local allocation taxes to individual self-governing bodies. The amount of a shortfall in financial resources, however, is not the actual amount of the shortfall. The shortfall amount is the theoretical shortfall amount as calculated by the following formula:

$$\begin{aligned} \text{Amount of shortfall in financial resources} &= \text{base fiscal demand amount} \\ &\quad - \text{base fiscal revenue amount} \quad (12.1) \end{aligned}$$

12.5.4.2 Base Fiscal Demand Amount

The *base fiscal demand amount* is the amount that is assumed to be needed if each local government were to implement the standard administrative functions as envisaged by the state at a reasonable level. The demand amount is calculated for each measure and the sum thereof constitutes the total base fiscal demand amount for a given local government. The base fiscal demand amount for each measure is calculated according to the following formula:

$$\text{Base fiscal demand amount} = \text{measurement unit} \times \text{unit cost} \times \text{correction coefficient} \quad (12.2)$$

Measurement unit: The unit of measurement is determined for each item according to the Local Allocation Tax Act. For example, when it comes to health and welfare for the elderly, the measurement unit would be the population of elderly persons. For elementary school costs, measurement units would consist of the number of students, number of classes, and number of schools.

Unit cost: Unit costs are determined uniformly for the entire country for each measure according to the Local Allocation Tax Act. For example, when it comes to health and welfare for the elderly, the cost to be incurred per elderly person is determined to be xx yen. This figure is based on a nationwide survey and is calculated as something akin to the average cost.

Correction coefficient: Since the unit cost is uniformly determined, all sorts of adverse effects could arise. In local jurisdictions with a smaller population, the cost per capital to be incurred might rise. In colder areas, snow-removal costs and heating costs would be incurred to a greater extent than elsewhere. In this connection, an adjustment is made by using a correction coefficient. The sum of the base fiscal demand amount calculated for each measure in this manner is the base fiscal demand amount for the local government.

12.5.4.3 Base Fiscal Revenue Amount

The base fiscal revenue amount is also a theoretical amount of tax revenue and represents the amount of tax revenue that could be collected if standard taxes were levied. The amount can be expressed according to the following equation:

$$\begin{aligned}
 \text{Base fiscal revenue amount} &= \text{tax collected when statutory ordinary tax is levied} \\
 &\quad \text{at the standard tax rate} \times 0.75 + \text{local transfer tax} \\
 &\quad + \text{special subsidy for traffic safety measures} \qquad (12.3)
 \end{aligned}$$

Putting aside the particulars, it would be a good idea to think of the tax revenue that is collected when statutory ordinary tax is levied at the standard tax rate as the basic starting point. What requires a bit of an explanation here is the number 0.75 in the equation.

In order to understand the significance of this figure, try to imagine what would happen without this number. For example, let us say that a given prefecture sought to attract a company that would generate tax revenue of 100 million yen if statutory ordinary tax were levied at a standard tax rate. While tax revenue would consequently exceed 100 million yen in that case, the local allocation tax would be reduced by 100 million yen since the base fiscal revenue amount would exceed 100 million yen with the application of Eq. (12.1). Tax revenue would increase by 100 million yen, and the local allocation tax would decrease by 100 million yen for a net zero effect, which would mean that this prefecture would have no incentive to attract companies. In contrast, with the application of Eq. (12.3), tax revenue would increase by 100 million yen, but the local allocation tax would decrease by 75 million yen because the base fiscal revenue amount would be deemed to have increased by 75 million yen. Thus, the prefecture can pocket the difference, which is equal to a 25 million yen increase in revenue. This should motivate the prefecture to make an effort to attract companies. Multiplying by 0.75 in this way provides an incentive to self-governing bodies to reinforce their fiscal base. The amount equal to the base fiscal demand amount less the base fiscal revenue amount as calculated in this way is the shortfall in fiscal resources and is allocated to self-governing bodies as a tax allocation.

12.5.5 *A Trinity of Reforms*

It has long been pointed out that subsidies need to be reduced since they undermine the autonomy of local governments. The local allocation tax has become difficult to maintain because of a shortage of financial resources in recent years. However, if fiscal transfers from the central to local governments were to be reduced, local governments would be unable to survive. To compensate for this situation, we would need to transfer a portion

of national taxes to local taxes and thereby strengthen the fiscal resources of local governments.

A trinity of reforms was launched in an effort to comprehensively address these various issues concerning local government finances. Despite the twists and turns that were encountered along the way, the following measures had been implemented in totality by 2006:

- Reduced government subsidies by approximately 4.7 trillion yen
- Reduced local allocation tax by approximately 5.1 trillion yen
- Transferred tax revenue sources from the central to local governments by approximately 3 trillion yen

12.6 THE DRAFTING OF EXPENDITURE BUDGETS BY LOCAL GOVERNMENTS: FOCUSING ON COMPARISONS WITH THE CENTRAL GOVERNMENT

Finally, let us take a brief look at budgeting by local governments.

12.6.1 Local Fiscal Plan

The central government is required to produce a document concerning estimates of the total amounts of revenues and expenditures of local governments for the following fiscal year. This is known as the local fiscal plan. A local government drafts its budget by taking into account the total amount of subsidies, local allocation tax, and issued bonds stated in the local fiscal plan. However, the extent to which the local fiscal plan is taken into account depends on the fiscal state of each local government.

12.6.2 Diverse Approaches to Budgeting

The approach to budgeting differs slightly from one local government to another (Kuboya, 2015, pp. 22–24).⁸ For example, approaches that are conceptually similar to the zero-based approach to budgeting and PPBS (planning, programming, and budgeting system) are sometimes employed. There appears to be several reasons why a local government might adopt an approach that differs from traditional cumulative budgeting. In addition to the ease with which the head of a local government can take the initiative, a local government head with little administrative experience

might be inclined to jump at what he or she believes is an ideal approach without being aware of or reflecting on past failures.

12.6.3 *Comparing with the Central Government*

12.6.3.1 *Administration That Is Close to Residents*

Local governments, particularly municipalities, carry out administrative tasks in close contact with residents. Residents sometime interact with administration to make their desires known through local assembly members. It is difficult for administration to fully ignore such entreaties, such that there are times when there is no choice but to make requests that are reflected in the budget.

12.6.3.2 *A Reversal of Positions*

Personnel transfers conducted by local governments are more fluid than ones conducted by the central government. A person in charge of the finance department is in a more advantageous position than a staff member of the works department in the budgeting process. From the perspective of a staff member of the works department, a person in charge of the finance department might even appear to be a bit pompous. Even in a local government, a finance department member might succumb to the temptation of acting in an overbearing manner toward others. Several years later, however, positions might become reversed. A person formerly in charge of the finance department could find himself transferred to the works department. Sitting in front of him could be a staff member that he had formerly treated rather brusquely and who now serves as a person in charge of the finance department. He would have nobody to blame but himself if he were the recipient of a cold shoulder given in retaliation in such a situation. In light of the possibility of such a reversal of positions, one should “never act in an overbearing manner” (Kuboya, 2015, p. 71).

12.7 CONCLUSION

In this chapter, I provided an overview of budget drafting and the settlement of accounts at the national level, fiscal relations between the central and local governments, and budgeting by local governments. It is clear that the primacy of budgets is a major feature of budget drafting at the national level and that the settlement of accounts at a national level is

treated with less seriousness than the budget. The central government's control over fiscal relations between the central and local governments has been shown to be weakening, albeit gradually. It was also pointed out that budgeting by local governments is diverse because of the strength of the leadership wielded by the heads of local governments.

NOTES

1. Wildavsky (1972).
2. Hashiguchi (1977, p. 39).
3. Campbell (2014).
4. Noda (1985, p. 82).
5. Campbell (2014).
6. Nishikawa (2003).
7. Muramatsu (1988).
8. Kuboya (2015).

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Administrative Reforms from Historical Aspects

Susumu Kamimura

13.1 INTRODUCTION

The purpose of this chapter is to explore the postwar history of administrative reforms in Japan in connection with reform trends in Europe and the USA. For a historical description on this topic, see the writings of K. Tanaka (2006).

The main analytical method used is a time-series comparison based on an analysis of official documents and prior studies. Analysis based on the leading reform theories in each period (including NPM, NPG, the neo-Weberian state, and historical institutional theory) is left to other chapters.

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13.2 BASIC CHARACTERISTICS OF PUBLIC ADMINISTRATION IN JAPAN

From the perspective of comparative jurisprudence, Japan is basically believed to be under the influence of continental law (Igarashi, 2019). In terms of administrative culture, Japan is considered to belong to the Rechtsstaat (rule of law) school rather than the Anglo-Saxon public-interest school. Historically speaking, the Constitution of the Empire of Japan prior to the Second World War (WWII) was highly influenced by the Prussian constitution. In addition, a centralized administrative system and operations similar to what could be seen in France were in place, such as in terms of the existence of government-appointed governors, administrative courts, and the distinction between officials and non-officials. While Anglo-Saxon elements had been introduced, such as by way of the construction of systems influenced by the administrative system in the USA during the postwar Occupation period (administrative committees, the National Personnel Authority, the National Government Organization Act, the abolishment of administrative courts, and more) and the pursuit of administrative reforms based on British reforms in recent years, continental characteristics, such as a closed civil service system, persist and the administrative culture in Japan is strongly seen as being fundamentally in accordance with the rule of law (Oyama, 2010).

In this way, public administration in Japan, having undergone the process of institutional absorption from Germany, France, the UK, and the USA, can be described as having taken on a unique form that differs from what one can see in any of these other countries (Tanaka, Y. 2015).

13.3 PATTERNS AND THE HISTORICAL DEVELOPMENT OF ADMINISTRATIVE REFORM IN JAPAN

13.3.1 *Factors for Initiating Administrative Reforms*

Generally speaking, three elements of postwar administrative reform can be identified as follows. None of these, however, is exclusionary. In many cases, multiple factors are combined to constitute the impetus for administrative reform.

1. Demands for administrative cutbacks and streamlining in order to eliminate budget deficits;

2. Demands for greater administrative transparency and democratization in response to political and administrative scandals and the maturation of public consciousness;
3. Demands for the reorganization of administrative schemes and systems in order to respond to changes in social and economic conditions.

Point (1) applies to many of the administrative reforms implemented prior to the Central Government Reform in 2001. Specific examples include the rearrangement of public administration immediately after the war, the subsequent reduction in the number of staff members through the enactment of the Total Staff Number Act (1969), and the rationalization of administrative structures including reduction of local branch offices, as was attempted with the elimination of one bureau for each ministry and agency (1968). The slogan of the Second Provisional Commission for the Administrative Reform, which was launched in 1981, was “fiscal reconstruction without tax increases.”

Examples of point (2) include the enactment of the Administrative Procedure Act (1993) based on the recommendations of the Third Provisional Council for the Promotion of Administrative Reform and the enactment of the Act on Access to Information Held by Administrative Organs (AAIHAO) (1999) based on a report issued by the Administrative Reform Committee (Masujima, 2003). Such scenarios of administrative reform, which were based on recommendations issued by third-party organizations led by private citizens, had been a common pattern in Japan until more recently.

Examples of point (3) can be seen in various forms of deregulation, public-sector reform, and the utilization of private-sector capabilities with the aim of liberalizing telecommunications and introducing market competition, which all began with the privatization of Nippon Telegraph and Telephone Public Corporation (1985). The Central Government Reform by way of Ministry mergers and the strengthening of Cabinet functions can also be considered to come under this point.

13.3.2 Classifying with a Focus on the Distribution of Authority Among Administrative Entities

As concerns the relationship among administrative entities, pattern (1) below has been continuously implemented in Japan. It can be said that

patterns (2) and (3) are mainly implemented in the case of initiatives integrated with comparatively sporadic political events.

- Pattern 1; Cutbacks, streamlining, and functional enhancements within the framework of existing entities

In addition to the aforementioned measures like cutbacks, streamlining, reorganization of ministries and agencies, and the enhancements of the Cabinet functions, this category also includes the digital transformation of public administration, policy evaluations, EBPM, and the reformation of the civil service system. These are essentially reforms implemented internally by the central government without transferring authority and functions outside the scope of the central government.

- Pattern 2; Transferring authority and functions to the private sector

This category includes the privatization of the national railway and electric power companies, the reformation of special corporations, the establishment of incorporated administrative agencies (IAAs), the introduction of public-private competitive bidding, the utilization of private-sector capabilities, and public-private partnerships (e.g., PPP, PFI).

- Pattern 3; Transferring authority and functions to local governments

This category includes successive attempts at carrying out decentralization initiatives. This point will be explored later in connection with multi-level governance.

13.4 COMPARING THE TIMING OF ADMINISTRATIVE REFORMS BETWEEN JAPAN AND THE WEST

A comparative analysis to determine whether the aforementioned administrative reforms in Japan are lagging behind or are being undertaken concurrently with reforms in the West is hereby presented.

13.4.1 *Comparing with the Pollitt and Bouckaert Model*

Pollitt and Bouckaert (2017) analyzed administrative reforms in Western countries across three different periods (first wave from 1960 to the 1970s,

second wave from 1980 to the 1990s, and third wave from 1990 onward). Since Japan was not studied in their book, a comparison is attempted here.

13.4.1.1 First Wave (from 1960 to the 1970s)

As mentioned above, reforms consisted primarily of cutbacks and streamlining due to fiscal pressures during this period. There did not appear to be any policy-based scientific reform efforts that are a feature of this time period as noted in Pollitt and Bouckaert's book.

13.4.1.2 Second Wave (from 1980 to the 1990s)

The same fiscal crisis and welfare state impasses that were pointed out as features of this period in the West applied to Japan as well. Characteristic of administrative reforms in Japan during this period was the large number of reforms influenced by neoliberal ideas originating in the UK and the USA. On the other hand, the NPM reforms described by their book as leading examples of reforms for this time period began to be implemented in Japan in the 2000s, a decade after such reforms were launched elsewhere.

13.4.1.3 Third Wave (from 1990 Onward)

Pollitt and Bouckaert indicate that there is no dominant model and instead set forth numerous models as key concepts, such as models for governance, networks, partnerships, participatory administration, transparency, and trust. In Japan, NPM reforms such as the establishment of IAAs have been implemented since 2000. In addition, legislation that is consistent with these concepts, including the AAIHAO (1999), Policy Evaluation Act (2001), NPO Act (1998), and PFI Act (1999), has been enacted.

13.4.2 Comparing Based on the Timing of Privatization

As outlined in Sect. 4.1, Japan's NPM reforms tend to lag behind such reforms as implemented in Europe and the USA. However, the cases of the privatization of public enterprises showed totally different aspects.

As can see in Table 13.1, Japan privatized the electric power industry immediately after the end of WWII, the railroad and telecom industries in the late 1980s, and the postal service in the 2000s.

In contrast, among these foreign countries, only the UK has privatized its railroads; France, Germany, and the USA have maintained public corporate-type management entities. As for telecommunications, the UK privatized its industry in 1984–1985 at around the same time in Japan. Privatization of this sector took place quite a bit later in France and Germany.

Table 13.1 Comparison of timings of privatizations

	<i>Japan</i>	<i>UK</i>	<i>France</i>	<i>Germany</i>	<i>USA</i>
Railroad	1987 (Split up and privatized JNR)	1994 (Separation of infrastructure from operation in transport)	1997 (Separation of infrastructure from operation in transport) <u>Public facility corporation (Établissement public) 2020</u> Became a wholly state-owned corporation (SNCF)	1994 (Nationalized)	<u>Continued as a public-sector enterprise (Amtrak)</u>
Postal service	2007 (Abolition of Japan Post)	2013 (Privatization of Royal Mail)	1991 (Incorporated as a public facility corporation)	1995 (Launch of privately-owned Deutsche Post)	<u>Continued as a public-sector enterprise (U.S. Postal Service)</u>
Telecom	1985 (Abolition of NTT Public Corporation)	1984 (Privatized)	1998 (Incorporated as a state-owned company) 2004 (Privatized)	1995 (Privatization of Deutsche Telekom)	No history of being run by the state
Electric power	1951 (Abolition of special companies)	1989 (CEGB split off and privatized)	<u>Continued as a state-owned company (EDF)</u>	No history of state monopoly	No history of state monopoly

Source: Produced by the author based on Kuhlmann and Wollmann (2019), Nambu (1994), and the websites of various management entities

Note: Underlining indicates that the entity in question remained in the public sector

With respect to the privatization of postal services, Japan lagged behind Germany by about a decade but was ahead of the UK by six years. Postal services have not been privatized at all in France and the USA. As indicated above, Japan is ahead of the four other countries listed in the table in many respects when it comes to the privatization of different sectors.

The UK is the only other country that has privatized all four sectors included in the table. This suggests that reforms are based less on global trends and more on the internal factors that are relevant in each country (see the next section for more information).

13.5 ENDOGENOUS REFORMS VERSUS REFORMS DUE TO WESTERN INFLUENCES

13.5.1 Reforms Based on Circumstances Unique to Japan (Type A)

The aforementioned privatization of the public sector, planned reductions of staff numbers, and strict organizational management (the so-called scrap-and-build system) under the system set forth by the National Government Organization Act (NGOA) can be described as initiatives unique to Japan as there is no direct equivalent in the West.

The merger of ministries and reinforcement of Cabinet functions in 2001 also constituted strong decisive factors with respect to institutional problems since before the WWII, including the vertically segmented division of ministries and the weakness of the prime minister. While these reforms were preceded by surveys of foreign countries (Administrative Reform Secretariat, 1997) and while the US White House system was used as a reference point as concerns the strengthening of the authority of the prime minister and the functions of the Cabinet (e.g., the NEC being as a model for the Council of Economic Advisors (Tanaka & Okada, 2000)), there is no evidence to suggest that any particular country's organizational system was ultimately used as a model (Y. Tanaka, 2015).

13.5.2 Harmonization-Type Reforms (Type B)

Masujima (2003) indicated that one factor behind the enactment of the Administrative Procedure Act was that “a movement to examine Japanese systems from an international perspective was being launched across a broad range of fields.” In this way, it can be said that initiatives undertaken to harmonize with systems in foreign countries from a global perspective was an important type of administrative reform in Japan. Legislation affected by international norms pertaining to the transparency and democratization of public administration, as seen in the enactment and

fortification of the AAIHAO (1999) and Act on the Protection of Personal Information held by Administrative Organs (2003), can be thought of as falling into this category.

In addition, it can also be pointed out that dialogue between Japan and the USA since around 1985 with a view to promoting market liberalization, such as the Japan-U.S. Structural Impediments Initiative, resulted in a number of deregulation measures. Similar international dialogue concerning deregulation and competition policy has been occurring between Japan and the USA and between Japan and the EU since the 1990s.

The influence of international forums can be seen in the case of the OECD Council's Recommendation on Competition Policy and Exempted or Regulated Sectors in 1979 (Matsubara, 1991), the OECD Review of Regulatory Reform in Japan in 1998, and APEC's Principles for the Promotion of Competition and Regulatory Reform as released in 1999 (Management and Coordination Agency, 2000).

Japan does not have a supranational top-level organization like the EU (EC) Commission, which means that the country is not subject to direct pressure to integrate its systems as EU countries are. Nevertheless, the consequences for reform of the aforementioned bilateral and multilateral consultations cannot be ignored.

13.5.3 *Model-Following-Type Reforms (Type C)*

NPM reforms since 2000 fall into this category. Specifically, such reforms include the establishment of IAA s, policy evaluations, PFI, SIB, and public-private competitive bidding, as outlined in Table 13.2.

Table 13.2 indicates when major examples of each type of reform were launched and implemented. As a general trend, no obvious Western model was followed until the end of the 1990s, such that only reforms of a uniquely Japanese type had been pursued until then.

As outlined in the above table, the series of administrative reforms carried out since the 1980s went beyond mere streamlining and aimed to achieve a broad "fundamental restructuring of the state and society" (Akiyama, 2010). The backdrop to these reforms included, externally speaking, calls for a shift to an economic structure driven by domestic demand and, internally speaking, a need to deal with a declining birthrate, the aging of society, an economic slowdown, and rising budget deficits; therefore, a need to reform institutionally fatigued vertically segmented elements of public administration, and a need to readjust the relationship between bureaucrats and politicians (Akiyama, op. cit.).

Table 13.2 Timings of different types of reforms

	<i>Unique reform type (Type A)</i>	<i>Global harmonization type (Type B)</i>	<i>Model-following type (Type C)</i>
1960s–1970s	Total Staff Number Act, organizational scrap-and-build		
1980s	Reorganization and rationalization of licensing Reform of special corporations, Private Sector Resources Utilization Law Privatization of JNR and NTT		
1990s	Regulatory reform (entry, pricing, and more)	Regulatory reform (market opening) Administrative procedures, information disclosure	PFI Act (1999) Policy evaluations (local governments)
2000s	Reorganization of ministries, strengthening of Cabinet functions Privatization of Japan Post	Protection of personal information, deregulation (partial)	Establishment of IAAs Policy evaluations (central government)
Since the 2010s			SIB, public-private competitive bidding

Produced by the author

13.6 CENTRAL AND LOCAL GOVERNMENT RELATIONS: TOP-DOWN-TYPE REFORMS AND BOTTOM-UP-TYPE REFORMS

In this section, reform types in the context of local governments will be analyzed.

Local administrative reforms in the 1980s and 1990s were generally undertaken in response to guidance and encouragement provided by the central government. The primary focus of these reforms was streamlining, which included the rationalization of staff numbers and organizational and structural reforms. A typical example of this type of reform involved the presentation of guidelines for local government reforms in January

1985 by the government in response to feedback given by the first Provisional Council on Administrative and Fiscal Reform (Tanaka, H. 2010).

There were also many cases in which reforms by the central government were followed up on by local governments. For example, the Fundamental Principle of Administrative Reform (Gyouseikaiku-Taikou) in 2000 (Cabinet decision) in connection with the system of local IAAs indicated that “the introduction of the system of IAAs to local governments shall be studied based on the state of the implementation of a system of establishing IAAs in the central government.” Accordingly, the system was legislated as a uniform system across the country in 2003.

On the other hand, since the mid-1990s, initiatives on information disclosure and policy evaluations have been spearheaded by local governments and the central government has followed suit and pursued the enactment of legislation.

In this way, while there have been (1) cases in which administrative reforms have spread from the central government to local governments and (2) cases in which administrative reforms have spread from local governments to the central government, cases coming under (1) were ones in which the former Ministry of Home Affairs (now the MIC) took the lead and provided guidance to local governments, such that they constituted, so to speak, centralized reforms (Kanai, 2010). In contrast, cases coming under (2) included those in which independent reforms were carried out under the leadership of the head of a local government in accordance with the actual conditions of each place. As the central government learned from these advanced cases, governmental reforms ensued alongside decentralization. (Nichaves (2007) mentioned this dichotomous type of Japan’s reform.)

It goes without saying that, in cases of (2), the effects of other countries on administrative reform were experienced and learned by local governments, through the works such as the Osborne and Gaebler’s, earlier than the central government.

In addition, Kanai (2010) classified local administrative reforms into three types: workload-reducing administrative reforms (hereinafter referred to as “Type A”), administrative management system reforms (“Type B”), and local management reforms (“Type C”). Type A primarily involves personnel reductions while Type B involves reforms of a local government’s internal administrative system or structure itself. Type C encompasses entire communities and the promotion of public-private partnerships (PFI and SIB).

Table 13.3 Relations with the central government in the context of local administrative reforms

	<i>Workload-reducing reforms (Type A)</i>	<i>Administrative system reforms (Type B)</i>	<i>Local management reforms (Type C)</i>
Led by the central government (1)	Personnel and salary reductions Local IAAs	E-local governments	Public-private competitive bidding
Implemented by local governments first (2)		Project sorting, policy evaluations, information disclosure, open data	SIBs
Implemented simultaneously by the central and local governments (3)			PFI, concessions

Produced by the author

Among these types of reforms, Type A reforms likely correspond to Type (1) reforms mentioned above while Type B reforms probably consist for the most part of Type (2) reforms. There is no fixed pattern when it comes to Type C reforms, such that PFIs may be commenced at the same time by the central and local governments while SIBs were implemented by local governments first (Table 13.3).

13.7 EXAMPLES OF REFORMS

An analysis to determine how prior reforms and theoretical trends in the West affected reforms in Japan is presented below.

Case Study (1): Neoliberalism and the Privatization of JNR, NTT, and Japan Post

Matsubara (1991) stated that the series of privatization (and deregulation) cases that have occurred since the 1980s have not been just a fad but have instead been rooted in the ideological trend of neoliberalism which was seen as a common trait in developed countries in the 1980s.

Japan's neoliberal administrative reforms, however, differed from both the UK and the USA, which were considered to be representative of this trend, and reflect a uniquely Japanese form of reform. In other words,

whereas the privatization of state-run companies, whose existence was a dominant feature of the economy in the UK, constituted the main focus of reform in that country, the primary focus of reform in the USA, where there are relatively few state-run enterprises, was not privatization but rather deregulation. Nevertheless, in Japan, British-style reforms in the form of the privatization of public corporations were combined with U.S.-style deregulation to deal with excessive regulations, which were also regarded as an important challenge, such that reforms bearing the characteristics of both countries were implemented (Akiyama, 2010). In Japan, it appears to be undeniable that the same principle was also used as a slogan to help eliminate the massive budget deficit rather than as a philosophy applicable to administrative management (Tanaka, Y. 2015).

Split-off privatization of JNR: The direct trigger for this reform was the massive deficit problem of the former Japanese National Railways (JNR). In fiscal year 1986, the entity was accruing a deficit of 1.4 trillion yen per year and its long-term debt totaled 5.1 trillion yen, which meant that it had effectively gone bust.

The massive debt, political intervention in the process of attracting new routes, and a nationwide integrated management system were some of the many factors that differed from what could be seen in other countries, such that this reform could be regarded as a unique type of reform due to circumstances specific to Japan.

Privatization of NTT: This reform consisted of two elements. First, Nippon Telegraph and Telephone Public Corporation (NTTPC) itself felt, in response to advances in telecommunications technology and growing demand for new telecommunications services prior to the advent of privatization, that there were limits to the extent to which business activities could be developed if it were to remain a public corporation subject to strong government involvement (Habuchi, 2013). Second, the fourth sectional meeting of the Ad Hoc Commission on Administrative Reform and the (then) Ministry of Posts and Telecommunications, which oversaw public corporations, felt that there was a need to introduce competitive principles to the telecommunications sector, which had been monopolized by NTTPC, and thereby revitalize the sector and accommodate a diverse range of needs in the sector irrespective of the public corporation's intentions (Ministry of Internal Affairs and Communications, 2015). This reform, which was realized through the intertwining of various intentions on the part of and among these actors, can be described as having a background and historical context that are unique to Japan.

Privatization of Japan Post: The privatization of the three postal services (postal mail, savings, and postal life insurance) did not give rise to a national debate about huge deficits and services as was the case with the JNR.

Nevertheless, the Basic Policy on the Privatization of Japan Post, which was approved by the Cabinet on September 10, 2004, set forth three reasons for this reform as follows:

- provide high-quality and diverse services through an increased degree of freedom of management in the market;
- minimize the hidden burden imposed on citizens by exempting them from the obligation to pay taxes; and
- stimulate the economy by changing the flow of money from the public sector to the private sector.

In particular, postal savings operations came to constitute a central issue for privatization given that Japan Post, a massive financial institution thanks to postal savings, had been competing with private-sector financial institutions and also given that postal savings funded fiscal investments and loans in what was known as *the second budget* and were directly tied to the issue identified in the third point above. (See Ito (2019) for more information on the historical background and policy implications of postal savings.)

Numerous other structural reforms implemented under the Koizumi administration included the privatization of the Japan Highway Public Corporation. All of these reforms fundamentally altered the profit-driven policies of pork-barrel politicians that characterized the conservative politics of the postwar era and helped to “forge a new era through the implementation of *structural* reforms for which all citizens would share the pain” (Yabuno, 2008).

Case Study (2): Example of an NPM Reform—System of IAAs

The system of IAAs in Japan was set up in 2001 after many elements of the structure of the UK’s Next Steps Executive Agency were studied. For this reason, this system has been classified as a model-following type (Type C) as described in Table 13.2. Japan’s system of IAAs is believed to be the example of reforms in Japan for which the concept of NPM has been harnessed the most, as can be seen in such terms as business management

based on performance evaluations, an autonomous operational structure, and a system of open recruitment for officers.

Reception of the British Experience

New public management (NPM) came to be introduced to Japan in the late 1990s through various works of literature. Some of the first examples of such literature include a paper written by Nishimura (1997) and a research book written by Osumi (1999).

The agency system itself had been the focus of attention since such a system was established in the UK (1988). Early examples of its introduction include reports by Miyagawa (1992) and Sanuki (1996), which were sent to the Japanese Embassy in the UK from the then Management and Coordination Agency (Somu-cho), which at the time existed as a command post for administrative reforms. The ruling Liberal Democratic Party (LDP) was also interested in this system from an early stage. After discussions were held by the party's Administrative Reform Promotion Headquarters, the party's manifesto for the general election in 1996 called for the introduction of an agency system. Thus, it is apparent that, at the stage when the secretariat of the government's Administrative Reform Council commenced full-fledged investigations into this matter (Administrative Reform Secretariat, 1997), the realization of this pledge had already become an established policy position (Tanaka & Okada, 2000).

Why a NPM-Type Reform Was Implemented in Japan?

Why was a system based on the NPM concept established in Japan, which is a state steeped in a continental legal culture?

The official explanation is that this system was deemed to be an appropriate measure for the realization of the separation of planning and implementation, which was a guiding principle of the Central Government Reform (item (iv) of Article 4 of the Basic Act on Central Government Reform).

On the other hand, it cannot be denied that this system was expected to contribute to the streamlining of public administration, which was the biggest goal of this reform (Article 2 of the same act). Leaving aside certain exceptions, the staff members of IAAs were not counted as national civil servants. This greatly contributed to the lowering of government staff numbers. Typically, the incorporation of national universities, which came to be quasi-IAAs, became a major financial resource for the attainment of the goal of reducing the number of national civil servants by 25%.

Differences from the British Model

In contrast to British agencies, Japan's IAAs are established outside the government and the majority of their staff are not national civil servants.

One reason for this is that, as mentioned earlier, the establishment of IAAs was implemented in response to calls by the central government for the streamlining of its structure and size of its workforce (Furukawa, 2001).

Another reason could have been the fact that the central government already had agencies in its ministries, such that distinguishing between the two types of entities would have been complicated. Five agencies primarily in charge of the implementation of policies, including the National Tax Agency, were actually positioned as *implementing agencies* (*Jissi-cho*) under the NGOA pursuant to the Central Government Reform and are organized and operated like IAAs in part through a flexible organizational structure and the introduction of a target-evaluation based management system.

Summarizing NPM Reforms in Japan

As far as the author can determine, no examples in which the NPM concept has been clearly incorporated can be seen other than the establishment of IAAs through administrative reforms in Japan's central government. Even efforts to connect the policy evaluation system with operational improvements, including by way of linking evaluation results to budgets, have not yielded success.

While the civil service system and budget and accounting system have been revised, such as through the partial introduction of a competency and performance evaluation system to the former, a performance-based pay system, contract-based employment system, and open recruitment system have hardly been adopted. This is a major point of difference between Japan and France. In the latter, even as a typical continental law country where NWS reforms have been implemented, the enactment of LOLF and the adoption of an open recruitment system for civil servants were realized (Pollitt & Bouckaert, 2017).

Moreover, while the internal operations of IAAs may have actually benefited from NPM reforms, no proof to this effect has yet been demonstrated (e.g., Chapter 6 of Agata et al., 2022).

In addition, even in local governments, it is universities and hospitals that have mainly become local IAAs, such that public enterprises, third-sector entities, and external organizations that have long been cited as being problematic for their operating deficits and inefficiencies have not yet been reformed (Agata et al., 2022).

In this sense, the statement that NPM “has been widely accepted in Anglo-Saxon countries with a public interest-oriented culture of public administration but has only been partially accepted in Japan and other continental countries with a culture of public administration tailored for a country of laws and regulations” (Oyama, 2010) appears to be valid. Even after reforms based on British and American ideas were implemented in Japan after the WWII, the culture and values of public administration from before the war still remained and can be regarded as the manifestation of the phenomenon of path dependence that has been put forth by historical institutionalists.

13.8 MUNICIPAL MERGERS AS AN EXAMPLE OF TYPE I MULTI-LEVEL GOVERNANCE IN JAPAN

13.8.1 *Description of This Chapter*

In Japan, many administrative tasks are often carried out by local governments upon being planned by the central government. For this reason, strengthening the administrative and fiscal capacity of local governments in conjunction with the trend toward decentralization is also an important issue for public administration in Japan.

This chapter explores developments in terms of reorganization at a basic local governmental level in Japan using the theoretical framework of multi-level governance (MLG), which can be traced back to the promotion of EU structural policies (Marks, 1993; Bache et al., 2016; Stephenson, 2013; Kuhlman & Wollmann, 2019; and others).

An analysis is conducted below regarding the municipal mergers in Japan regarded as Type I MLG set forth by Hooghe and Marks (2001) and partial administrative unions and wide-area federations regarded as Type II MLG.

13.8.2 *Municipal Mergers in Japan (Type I)*

13.8.2.1 *State-Level Reforms*

The federal system in Germany is considered a typical example of Type I MLG due to the participation in national politics of state governments in the Bundesrat and the key role played by state governments in planning, negotiating, and implementing regional European policies (Inamoto, 2003). In other countries, there have also been initiatives undertaken to

create state-level entities, expand the scale and authority of such entities (such as in France, Greece, and Spain), and transition from a centralized system of government to a federal state (Belgium).

In contrast, Japan is not a federal state and does not need to take consistency with EU policies into account. Thus, while the creation of a Do-Shu-system (regional political system) has been discussed for many years (as reflected in the 28th Report of the Local Government System Research Council), there is no any specific agenda to be carried out any time soon.

13.8.2.2 Municipal-Level Reforms

At the same time, municipal mergers have been making progress in Japan. Major mergers of the Heisei Period resulted in a gradual decrease in the number of municipalities from 3229 in 1999 to 1718 as of 2022.¹

These mergers were an attempt to reinforce the basic functions of local governments in line with the successive transfers of administrative authority and tax revenue sources from the Central government. In addition, these reforms were also politically driven to a large extent, such that there have been studies indicating that both ruling parties (and especially the New Komeito Party) aimed to strengthen the foundation of urban supporters (Imai, 2010).

This policy of mergers is characterized by its eclectic nature in that, while basic policy and targets were fixed by the central government, implementing the mergers was to be essentially voluntary. In fact, the target number 1000 as specified in the Cabinet decision was set by the ruling party that had to be respected in the sphere of public administration in Japan and a rueful expression of the fact that this could not be made a government KPI under the principle of decentralization. Consequently, the target of 1000 remains unreachd.

As incentives for “proactive promotion” of these mergers, all sorts of initiatives have been implemented, including financial support in the form of special bonds for mergers and tax allocation measures, an expansion of a system allowing residents to express their opinions through public discussion, a local referendum system, and measures related to former municipalities.

13.8.3 Partial-Affairs Associations in Japan (Type II)

Partial-affairs associations (*Ichibu Jimu Kumiai*: numbering 1303 as of 2018) and wide-area unions (*Koiki Rengo*: numbering 114 as of 2018) are examples of Type II MLG in Japan. Approximately 70% of functions

performed by partial-affairs associations pertain to three areas: garbage and human waste treatment, firefighting, and general affairs. A more recent characteristic of these associations is the participation of small municipalities lacking sufficient human and financial resources to facilitate computerization to realize the joint development and operations of systems such as residents registration, residential taxes, financial accounting, and other matters, as can be seen with Kanagawa Prefecture's Town and Village Information System Joint Enterprise Association.

While this type of MLG had originally been emphasized by the Japanese government, the government's policy orientation changed substantially to Type I MLG after the Fundamental Principle of Administrative Reform was determined by the Cabinet in 2000 (Imai, 2008, 2010).

13.8.4 Summary

What is the reason why the municipal mergers in Japan could become the main measure of Japanese MLG? The author presents the following factors, including a comparison with French case, thought to be predominantly type II.

Difference of experiences Municipal mergers had been experienced numerous times previously in Japan. The number of municipalities at the time of their establishment in 1889 was 15,859. After the so-called major merger of the Showa Period, this number dropped down to 4668 in 1956 and later to 3229 just prior to the major merger of the Heisei Period (website of the MIC). The situation in this sense differed greatly from France, where the number of municipalities had more or less remained constant since the Napoleonic era.

Political Influence In Japan, where political parties exert an outsized influence on public administration, there was a strong motivation on the part of the ruling party at the time to promote mergers. In particular, the influence of NONAKA Hiromu, former Chief Cabinet Secretary and former Secretary General of the ruling LDP and then head of the Party's Administrative Reform Headquarters, was massive (Imai, 2008).

This point stands in contrast with France, where the existence until recently of a concurrent office system (*cumul de mandat*) for local government heads can be seen as a major disincentive (Kuhlmann & Wollmann, 2019).

Incentives Various generous inducement measures for proactive promotion were taken.

Local deficits The financial situation was becoming increasingly severe for smaller municipalities due to reductions in tax allocations resulting from a so-called trinity of reforms on local fiscality (Imai, 2008).

Consequently, it is believed that the difference in the extent to which municipal mergers have been undertaken between Japan and France can be largely attributed to political factors. It is also understood that differences in the political and social climates of each country are intensely reflected in the various aspects of MLG.

NOTE

1. Ministry of Internal Affairs and Communications website: <https://www.soumu.go.jp/gapei/gapei2.html> (accessed on August 26, 2022).

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Institutional Differentiation of Public Service Provision in Japan: Corporatisation, Privatisation, and Re-municipalisation

Jun Matsunami

14.1 INTRODUCTION

In the modern era, the Japanese government has been ‘small’ in terms of the number of public employees. In the 1960s and the 1970s, when most developed countries expanded their governments to provide welfare services, and thus increased the number of public employees, the number of Japanese public employees remained almost the same at the central government level and increased slightly at the local government level. To keep its government small, Japan developed several ways of providing public services.

Before World War II (WWII), it created public enterprises (semi-independent organisations within the government), special companies (wholly or partly owned by the government), public corporations, and

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other legal entities. The private sector also played an important role. Many companies were contracted by the government to provide public services. Industrial associations organised by private companies played an important role in regulating industrial sectors. Local governments followed the central government in providing public services. At the grassroots level, neighbourhood organisations played important roles in providing information from the government and complementing public service provision by local governments. Public service provision by quasi-governmental and non-governmental organisations continued after WWII.

In recent years, administrative reforms have converted the provision of some public services by the public sector to provision by the private sector. Some public corporations were privatised, whereas others were reorganised. An Incorporated Administrative Agency (IAA) was created. Public service provision by non-governmental bodies expanded. Besides organisations closely related to administration, profit-seeking private companies and NGOs signed contracts to provide public services. The contracts themselves became more competitive and transparent through public offerings. Some functions which neighbourhood organisations used to provide are now covered by other voluntary organisations.

Currently, institutional differentiation marks public service provision in Japan. By developing various routes to deliver public services, the Japanese government has kept itself small.

14.2 'SMALL' GOVERNMENT AND THE DEVELOPMENT OF SERVICE PROVIDERS

14.2.1 *The Origin of Public Service Provision in Japan*

When Japan began modernising in the late nineteenth century, its government started to provide various modern public services. Therefore, when modern minting coins, railway transportation, and postal services started (all of them in 1871), or Western-style model factories were built to foster industries, the Japanese government created semi-separate organisations within the government (government enterprises). They managed their services using special budget accounts with more business-oriented principles. In some cases, their employees were regarded as public employees but were managed separately. When local governments started to provide public services, such as water supply, electricity, hospitals, and passenger

transportation, they followed in the central government's steps. In the case of some public services, this semi-separate organisational system (government enterprise or local public enterprise = special budget account, in some cases + separate public employee management) continues until now.

Regarding finance and colonial rule, special companies were sometimes established. This indicated that the Japanese government chose a more market-oriented style in these cases. They established the Bank of Japan (1882), the Industrial Bank of Japan (1900), and other special banks for industrial promotion. The Bank of Taiwan (1897), South Manchuria Railway Company (1906), and Oriental Development Company (1908) are examples of special companies that played important roles in Japanese colonial rule. These special companies were partly owned by the Japanese government and partly owned by the private sector. As the banking industry and the development of infrastructure in colonies required huge amounts of capital, the government also used private sector resources.

In the 1930s and the 1940s, the government used industrial associations originally organised by private companies to protect their sectoral interests in regulating and controlling the industry. However, to expand regulations and control over industries that were directly or indirectly related to war production, the government established national policy companies, such as the Japan Electric Generation and Transmission Company (1939). By 1942, the number of national policy companies had reached 290. Although these companies were established under the Commercial Code, at the same time they were established through special laws. They were partly owned by the government and partly by the private sector. The special law that established each national policy company ensured that it was both tightly regulated by the government and simultaneously given monopolistic power. National policy companies were supposed to be the best mix of public and private for maximising production in the market (Uozumi, 2009, pp. 46–51).

In the 1940s, *Eidan*, another type of public-private mixed corporations, were established. They were not companies established under the Commercial Code but only by special laws. *Eidan* public corporations were established to provide less profitable public services such as public housing, underground passenger services in Tokyo, and farmland development. They were considered another policy tool for the provision of less profitable public services with more administrative control. Although the government planned to establish more public corporations, the private

sector did not welcome *Eidan*; thus, only a limited number of *Eidan* were established (Uozumi, 2009, pp. 53–103).

At the grassroots level, neighbourhood organisations played an important role. They provided information from the government, monitored residents, and distributed rationed food and other materials. The neighbourhood organisations complemented the public service provision by local governments, which were busy with war-related administration, and mobilised people for war efforts.

14.2.2 *After 1945*

After 1945, there were both continuities and discontinuities in the provision of public services. Special companies involved in Japanese colonial rule were closed. Public corporations established before WWII were also closed by 1952 as the Japanese economy started to return to normal and become more market-oriented. Some national policy companies were also disbanded, whereas others became ordinary companies.

Further, ministries that provided the most important public services—national railways, telecommunications, and salt and tobacco production—changed their legal status after WWII. Earlier, they were public services provided by semi-independent organisations within the government (governmental enterprises = Ministry of Railways, part of the Ministry of Post and Telecommunications, and part of the Ministry of Finance). They were separated from the government, and a new type of public corporation was established to provide these services. Later, these ‘Three Public Corporations’ (Japanese National Railways or JNR, Nippon Telegraph and Telephone Public Corporation, Japan Tobacco and Salt Public Corporation) became a focal point of Japanese administrative reform and the labour movement because of the large numbers of their employees and important roles in the Japanese economy.

After Japan regained its independence in 1952, many public corporations were established to develop infrastructure and provide welfare-related and other public services. The role of Housing *Eidan* (providing housing and land for housing) was succeeded by the Housing Public Corporation in 1955. In 1956, the Japan Highway Public Corporation was established to construct and manage highways. In 1961, the Pension Welfare Public Corporation was established to use money saved for pensions. The number of public corporations increased until the 1960s, reaching 113 (Matsunami, 2008, pp. 44–45).

Japanese public corporations are unique in some respects. First, unlike Western European countries, Japan did not experience large-scale nationalisation after WWII. Japanese public corporations were not the product of nationalisation, but of infrastructure and welfare state development. American-led occupation after WWII may explain why there was no large-scale nationalisation in Japan. Second, many Japanese public corporations were financed by the Fiscal Investment and Loan Program (FILP). The money that people saved in postal savings or public pension programmes was controlled by the Ministry of Finance, and public corporations could borrow that money from FILP. Although it could speed up large-scale infrastructure development, FILP represented a moral hazard: public corporations did not need to consider the costs and benefits of their public services. Therefore, public corporations and FILP were routinely criticised, and public corporations were the target of administrative reform after the 1960s.

In addition to public corporations, the central government established associations and foundations to provide certain public services. These provided services with government support. Industrial associations and many private companies continued to cooperate with the government and sometimes supplied public services. Although these organisations and contracts with the private sector provided public services more efficiently than could be done through the public sector alone, they were criticised as tools for elite bureaucrats looking for cushy second careers (*Amakudari* in Japanese).

Parallel developments can be observed at the local government level. As many local governments started providing public services such as water supply, public transportation, hospitals, and sewage after WWII, the number of local public enterprises increased until the 2000s.

Local governments established local public corporations with separate legal entities. They provided infrastructure and welfare services. Most local public corporations were established after the 1970s. At their peak in the early 2000s, there were more than 10,000 local public corporations. Although public and local public corporations were established for similar reasons, there were differences when they were established.

14.3 ADMINISTRATIVE REFORMS TO PUBLIC SERVICE PROVISION UNDER NEOLIBERAL REFORMS

14.3.1 *Privatisation of the Three Public Corporations in the 1980s*

Public corporations faced some criticism, particularly JNR soon after its establishment. There was insufficient investment in busy and profit-making urban lines, whereas local unprofitable line construction continued.¹ Fares were kept low for political reasons. JNR workers went on strike many times, disturbing the Japanese economy. When the Japanese economy struggled to improve its productivity in the 1970s, the gap between private and public sectors became apparent. The ‘Three Public Corporations’ reform became a hot political issue.

Around this time, politicians in other countries were advocating market-oriented reforms. In the United Kingdom, Margaret Thatcher won the General Election in 1979, and the Conservative government sought a smaller government and started privatisation. In the United States, Ronald Regan became president in 1981 and changed the economic policy. These changes were supported by neoliberal economists, and the same phenomenon occurred in Japan as well. In 1981, when the Second Provisional Commission for Administrative Reform (*Rincho* in Japanese) was established, neoliberal economists led the arguments. *Rincho* argued that privatisation of the Three Public Corporations was needed to solve the problems of the non-profitable JNR and to make Nippon Telegraph and Telephone Public Corporation and Japan Tobacco and Salt Public Corporation match the rapid technological developments in Information and Communication Technology (ICT) and the changing globalised tobacco market. In 1985, the latter two were privatised (at that time, 100% of government-owned companies were established to sell their shares in the future). Simultaneously, the private sector entered the telecommunications market. Together with rapid developments in technology, the privatisation of Nippon Telegraph and Telephone and deregulation of telecommunications accelerated the development of ICT-related industries (Iio, 1993).²

JNR privatisation took another two years because of the closure of non-profitable local branch lines and a drastic decrease in the number of JNR workers.^{3,4} In 1987, six regionally divided passenger railway companies and one freight railway company were established with a few public corporations to support the privatisation process.^{5,6}

With the privatisation of the Three Public Corporations, several public corporations were reorganised, and some of their legal status changed to private companies. For example, Japan Airways, the Japanese flag carrier, was fully privatised in 1987. This meant that all government-owned shares were sold to the private sector, and the Japan Airways Company Act was abolished.

Although many scholars and journalists agreed that the privatisation of the Three Public Corporations was based on neoliberalism, they did not imagine that it could further affect Japanese public administration later on. At that time, many thought that by privatising the Three Public Corporations, the Japanese public sector could solve the problem of low productivity. The number of local public corporations continued to increase until the 2000s at the local government level. To develop the local economy, local governments established partly local government-owned and partly private-sector-owned local public corporations. Although the term ‘third sector’ meant different things in other countries, in Japan, it meant public-private mixed companies to develop infrastructure, expand welfare services, and conduct profit-seeking business.

14.3.2 *Hashimoto Administrative Reform and Public Service Provision*

In the second half of the 1980s, Japan experienced an economic boom. The Japanese believed that their economy was number one in the world. However, the bubble economy burst in the early 1990s and radical administrative reforms were advocated. HASHIMOTO Ryutaro, who became prime minister in 1996, led the advocacy for them himself.

The ensuing Hashimoto Administrative Reform strengthened the Cabinet Office and thus gave more power to the prime minister. The reform reorganised the central government ministries. Importantly, from the point of view of public service provision, the reform created the Incorporated Administrative Agency (IAA).

The IAA meant that part of the central government ministry was separated from the core ministry and given independent legal status. It had some independence to provide public services, whereas the mother ministry had the power to provide midterm objectives and monitor the IAA. It was based on the idea that decisions and the implementation of policies can be divided, and the latter would be more efficient if separated from the ministry and given some autonomy.

As the idea of the IAA came from British agency reform and because the idea of a stronger cabinet office was also modelled on the British cabinet office, scholars agree that the Hashimoto Administrative Reform was another neoliberal reform (Niikawa, 2000, pp. 187–216). Meanwhile, because the Three Public Corporation's privatisation in the 1980s had been implemented before the bubble economy went bust, people understood Hashimoto Administrative Reform as the first reform driven by New Public Management (NPM), which came 'all of a sudden' to Japan (Muramatsu & Matsunami, 2003, pp. 178–180).⁷

The first 57 IAAs were established in 2001. Many of them were research institutes, museums, and training centres, and the number of employees in each IAA was not large. However, larger organisations were later changed to IAAs. The Hashimoto Administrative Reform expanded the institutional power of the prime minister; thus, he could lead radical changes through his leadership. The reform also introduced the IAA, which was later used to reform public corporations and enterprises. From these points of view, the Hashimoto Administrative Reform was more important than previously thought.

14.3.3 Koizumi Postal Privatisation and Other Administrative Reform

KOIZUMI Junichiro became the prime minister in 2001. In addition to postal privatisation, a measure that made him unique among LDP politicians, along with other administrative reforms that his government started, public service provisions changed drastically in Japan.

When Koizumi became prime minister, in his first policy speech, he argued for a zero-base review of public corporations and the possibility of postal privatisation. When the minister in charge of administrative reform and the Cabinet Office submitted a draft of the public corporation reform plan, Koizumi refused to accept it and demanded a more drastic plan. Ultimately, 118 public corporations (including authorised corporations) became targets of the radical reform plan approved by the cabinet in December 2001. Seventeen public corporations would be abolished, 45 would be privatised, and 38 would become IAAs. The reform plan covered most public corporations. The reform cut money flows from FILP to public corporations. Public corporations that developed large-scale infrastructure needed to borrow money from the market. The Koizumi Administrative Reform changed the landscape of the grey zone between

the public and private sectors (Matsunami, 2008; Uchiyama, 2010, pp. 39–47).

Postal services, postal savings, and life insurance were managed as a single governmental enterprise by the Ministry of Post and Telecommunications until 2001, when they were reorganised as the Postal Service Agency. In 2003, this agency was separated from the government and became a public corporation called Japan Post. For more than 100 years, postal services were provided by the Japanese government with a separate budget account system and personnel management (government enterprise). However, the Hashimoto Administrative Reform decided to establish a public corporation. This was a compromise between those who wanted to maintain a ministerial postal service and those who wanted to privatise it. Therefore, the government denied future postal privatisation in the 1998 Basic Act on Central Government Reform (Uchiyama, 2010, pp. 63–78).⁸ However, when Japan Post was established as a public corporation, Koizumi was the prime minister. His government had studied postal privatisation from the beginning, and after winning a landslide victory in the 2005 General Election, the Koizumi government privatised the postal service. In 2007, Japan Post was divided into four businesses (postal service; post office counter service; postal savings, i.e. Japan Post Bank; and life insurance, i.e. Japan Post Insurance) and a holding company called Japan Post Holdings was established. In 2012, the non-LDP government combined postal services and post office counter services to establish the Japan Post Service. The non-LDP government postponed the schedule of full privatisation of Japan Post Bank and Japan Post Insurance, but selling shares of the three privatised companies (Japan Post Holdings, Japan Post Bank, and Japan Post Insurance) began in 2015.⁹

National universities also experienced changes in their legal status under the Koizumi government. All the national universities were incorporated in 2004. Until then, national universities were legally suborganisations of the Ministry of Education, Culture and Sports (after 2001, the Ministry of Education, Culture, Sports, Science and Technology or MEXT). Professors and administrative staff were central government employees, although universities were given autonomy after WWII. By establishing national university corporations, professors and staff were no longer governmental employees. However, because national universities rely on financial support from the government, there is a debate on whether the incorporation changed MEXT–national university relations.¹⁰

During the Koizumi government (2001–06), the institutional frameworks for delivering public services by the central government changed drastically. Many public corporations were abolished, privatised, or became IAAs.¹¹ For example, as discussed above, postal services became a public corporation, then were divided by services, and finally were privatised. Those working in the postal services, national universities, and most IAAs were no longer government employees. Through these reforms, the number of central government employees decreased from over 1.1 million to less than 0.6 million. However, how they delivered public services (delivering mail, university education, researching in laboratories, or working at museums) did not change significantly.

14.3.4 Delayed Reforms in Local Governments

Until the 2000s, neoliberal administrative reform did not significantly change public service provision at the local government level. Contracted companies and organisations closely related to local governments have a long history of providing public services.

Many local governments use the private sector to provide certain public services such as school lunches, garbage collection, cleaning public buildings and spaces, payroll processing, and processing computerised data. However, this is not the result of accepting neoliberal ideas. In many cases, there is no public offering or competition between possible public service suppliers. In most cases, the service supply contracts continued for indefinite periods or were renewed repeatedly.

Therefore, as already pointed out, the number of local public corporations continued to increase until the 2000s. When local governments faced new demands for public services in many cases, they used these indirect means of provision of public services with little competition and comparison.

However, since the 2000s, several changes have occurred. The number of local public corporations began to decrease. In some cases, their services were abolished and local public corporations were disbanded. In other cases, local public corporations were privatised.

The number of local public enterprises also began to decrease. Most cases were the result of municipal amalgamations in the 2000s, but in other cases, some public services, such as bus transportation, were privatised by some local governments, and public hospitals were closed because of the continuous deficit (Yanagi, 2012).

In 2003, the Designated Management System (DMS) was introduced to local governments through an amendment to the Local Autonomy Law. Local governments can designate certain organisations, not only local public corporations but also private companies and NGOs, to deliver certain public services such as public halls, swimming pools, libraries, museums, public parks, kindergartens, and nursing schools. It aims to deliver public services more efficiently and simultaneously in more transparent ways.

Table 14.1 shows that although the spread of the DMS stopped in 2018, the percentages of DMS to private companies and DMS by public offerings are increasing. Now there are DMS libraries (managed by a private company or NGO), public-private mixed libraries (the librarians are government employees whereas counter services are provided by company staff), and ‘full public’ libraries (all library staff are government employees) (Matsunami, 2020).

The use of other public services in the private sector also increased. For example, some local governments contracted the private sector to deliver counter services at municipal and other public halls. Other local governments asked private bus companies to operate some routes for their bus operations, even though they maintained public bus services as local public enterprises.

At the grassroots level, neighbourhood organisations still exist and play a role. However, as residents’ participation in neighbourhood organisations is decreasing, some public services that they have provided for a long time have been passed on to private companies or other voluntary organisations, including NGOs.

Table 14.1 DMS in number (Matsunami (2020) with 2018 data)

	2006	2009	2012	2015	2018
DMS in total	61,565	70,022	73,476	76,788	76,268
DMS to private companies ^a (percentage)	11,252 (18.3%)	20,489 (29.3%)	24,384 (33.2%)	29,004 (37.5%)	30,802 (40.0%)
DMS by public offering (percentage)	(29.1%)	(40.0%)	(43.8%)	(46.5%)	(49.1%)

Source: Ministry of Internal Affairs and Communications

^aHere ‘private companies’ means not only private companies, but also NGOs, or other types of non-profit-seeking organisations

14.4 RE-MUNICIPALISATION IN RECENT YEARS

In recent years, we have seen some cases of (re-)municipalisation at the local government level. Some private railways in rural areas are facing closures because of the continuous decrease in the numbers of passengers. They are now divided into two parts: local governments own and maintain tracks and other infrastructure, whereas railway companies concentrate on train operations. Some local governments started railway operations because it was necessary to extend the bullet train lines. They established local public corporations to succeed the train operations on the old rail routes parallel to the bullet train lines. Toyama City entered the LRT business, and former national and privately owned railway lines were rebuilt and connected to provide commuter passenger services.

Some public halls, stadiums, and libraries were re-municipalised because private companies or NGOs gave up public service provision. They could not renew or did not want to renew their DMS contracts. Local governments entered the renewable energy market by constructing solar panels and small hydroelectric power stations. Although strong neoliberal ideas, privatisation, and contracting still exist, we see re-municipalisation at the local level.

The number of public universities has been on the rise as well. In the 1980s and 1990s, local governments invited private universities to build new campuses. They provided financial support to the universities. However, because the number of 18-year-olds is decreasing in Japan and because universities failed to attract students, some universities decided to close their campuses. Local governments municipalised these universities and, in some cases, successfully changed their image, and more students entered municipalised universities.

As their populations and tax revenues are decreasing, some local governments have abandoned some of their public service provisions, such as hospitals, public halls, and bus services. However, other local governments have expanded their roles to maintain public service levels.

14.5 CONCLUSION

We examined how the Japanese (central and local) governments developed tools to deliver public services. Government enterprises (local governments and local public enterprises) are the oldest systems for delivering public services. Special companies were established in more

market-oriented cases. During the 1930s and 1940s, national policy companies and *Eidan* were established.

After WWII, public corporations developed infrastructure and welfare services. Later, local governments established local public corporations. Public corporations and local public corporations are legally separate organisations from the government and should be managed in efficient market-oriented ways. However, in reality, they are not always managed efficiently and thus later became the target of administrative reforms. IAAs and DMSs are attempts to make public service provisions more efficient, and many old institutions have been replaced with new ones. Public service provision contracts with the private sector have become more transparent, and public offerings are increasing.

We saw some (re-)municipalisation cases at the local government level, but not at the central government level. There is a strong will in Japan to keep the number of government employees low. Maeda (2014) argues that the small government was institutionalised in post-WWII Japan, and various organisations, such as public corporations, were developed to deliver public services. We may argue that the institutional differentiation of public service provision itself was institutionalised in Japan before WWII; thus, we can see that public services have been provided not by governmental employees, but by employees of organisations which have relations with the government.

NOTES

1. The Japan Railway Construction Public Corporation, established in 1964, continued to construct unprofitable local lines by using FILP money until the 1980s.
2. For privatization in Japan in the 1980s and later, cf. Chap. 13.
3. More than 3100 km and 83 local lines were separated from JNR and nearly half of them passed to local governments, which established local public corporations to continue to operate. The rest changed to bus services (Ishikawa & Imashiro, 1998, pp. 62–85).
4. Around 30% former JNR workers could not transfer to privatised railway companies.
5. A public corporation called the Japanese National Railways Settlement Corporation was established to liquidate the huge deficits of the JNR. It tried to pay back the deficits by selling the former JNR's assets. However, because land prices fell after the 1990s, the corporation could not liquidate the borrowing and it was disbanded in 1998.

6. Selling the former JNR companies started in 1993, and by 2016, four passenger railway companies were fully privatised and all of their shares sold. However, two passenger companies and the freight company are still owned by the government.
7. For NPM in Japan cf. Chap. 22.
8. In 2003, Japan Mint and National Printing Bureau were changed to IAAs by the same act. Unlike many other IAA employees, the employees of these two IAAs are still government employees.
9. The money received by the government from selling shares of the three privatised companies is meant to be used to cover the reconstruction costs of the 2011 Great East Japan Earthquake and tsunami.
10. According to Niikawa (2000), national university corporations were not included in the Hashimoto Administrative Reform because this topic had been discussed in the Ministry of Education, Culture and Sports. He also pointed out that Prime Minister Keizo Obuchi, who succeeded Hashimoto in 1998, promised a 20% cut in the number of national government employees when he organized his government, leading to the national university incorporation.
11. In 2015, laws to regulate IAAs were amended. IAAs were divided into three categories to make monitoring rational. The 2015 reform may have improved the public service provision by IAA (Agata et al., 2022).

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Participatory Administration and Co-production

Itaru Yanagi

15.1 INTRODUCTION

The Japanese government has partnered with various civil society organisations (CSOs) to supplement scarce administrative resources and provide public services (Muramatsu, 1997). Japan's central and local governments are in an interfusion relationship, with many public services are provided by the local government rather than by the central government (see Chap. 3). The local government may also provide services to its citizens in co-production with CSOs, such as neighbourhood associations. In recent years, citizens and CSOs have increasingly participated not only in the provision of services in local governments but also in the design of policies, which has an increasing effect on government decision-making.

One example of citizens attempting to influence government decision-making is the residents' movement, which grew in the mid-1960s. The urbanisation that accompanied rapid economic growth generated pollution. Residents' movements were primarily directed towards polluting companies. Later, residents' movements also acted against noise and other pollution caused by large-scale traffic facilities, such as motorways and airports, and held the public authorities responsible for installing such

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facilities. Such movements have also been launched against nuisance facilities, such as US military bases and waste disposal facilities, as well as public works projects, such as dams and government buildings. These residents' movements sometimes used institutions of direct democracy, such as recalls, to add their voices to government decision-making.

Local governments have been promoting information disclosure since the 1980s and co-production since the 1990s. Publicly available government information is a vital prerequisite for citizen participation. In 1982, Kaneyama Town in Yamagata Prefecture enacted an information disclosure bylaw that implemented a disclosure system for information held by the administration based on citizen requests. Various local governments have since introduced the system, with all prefectures and 99.9% of municipalities doing so by 2020 (Ministry of Internal Affairs and Communications, 2021). In 1999, the central government enacted the Act on Access to Information Held by Administrative Organs (AAIHAO) (see Chap. 10). Since the 1990s, an increasing number of local governments have mounted initiatives to reflect the voice of citizens in the policy process.

The following section outlines various institutions of citizen participation and the situation of CSOs in Japan. Many of the institutions of direct democracy are in local government.¹ Section 15.2 describes the institutions of direct democracy in local governments, such as initiatives, recalls, and referendums. Section 15.3 outlines the CSOs in Japan and presents the situation of neighbourhood associations the most prevalent forms of CSOs in Japan. Section 15.4 highlights co-production initiatives that have been increasingly introduced in recent years and citizen participation initiatives in local assemblies. Section 15.5 presents the current issues and prospects.

15.2 DIRECT DEMOCRACY IN LOCAL GOVERNMENTS

15.2.1 *Initiative*

There are certain initiatives based on the Act on Special Provisions of the Merger of Municipalities. When merging municipalities, citizens may request that a merger council be established to discuss the merger with the signatures of at least one-fiftieth of the voters. Upon receiving the request, the local government chief executive submits a proposal to the assembly, and if the assembly passes the proposal, a merger council is established. However, if the assembly rejects the request, the chief executive can ask

for a referendum on the establishment of a merger council if the assembly of the municipality with which the municipalities will be merged has passed a resolution to set up a merger council. If the chief executive does not submit to a referendum, citizens can request that a referendum be conducted with the signatures of at least one-sixth of the voters. Although referendums do not occur immediately after a citizen's first request, they can be considered a type of initiative. Between April 1999 and March 2006, 66 referendums were held, of which 28 were in favour (Ministry of Internal Affairs and Communications, 2010).

There are also institutions where citizens can request a wider range of topics, although this cannot be considered an initiative, as referendums are not conducted. Under the Local Autonomy Act, citizens can request the chief executive to enact, amend, or repeal a bylaw with the signatures of at least one-fiftieth of the voters. Upon receiving a request, the chief executive attaches their opinion and proposes it to the assembly. A majority vote in the assembly approves the proposal. This is an institution in which citizens do not have the authority to make final decisions. The proportion of cases resulting in enactment, amendment, or repeal at the request of citizens is low, as citizens tend to request matters that the assembly does not put on the agenda. Between April 1999 and March 2021, 13 requests were discussed in the prefectures, one was passed as an amendment, and the remaining 12 were rejected. Of the 790 requests from municipalities, 710 were considered by the assembly, of which 41 were passed, 65 were passed as amended, and the remainder were rejected.²

15.2.2 *Recall*

In local governments, recalls are established under the Local Autonomy Act.³ The recall covers the chief executive, assembly and assembly members, and major public officials. Recall requests are rarely realised, as citizens need to collect signatures from at least one-third of voters to do so. As it is difficult to collect more than one-third of the signatures, the requirement is relaxed for local governments with larger populations.⁴ Even so, recall requests are rarely successful in local governments with large populations.

In the recall of a chief executive, the assembly, or assembly members, citizens request a recall to the election administration commissions. The election administration commissions conduct a referendum, and the recall is concluded when a majority agrees. Between April 1999 and March

2021, there were no recall referendums against governors or assemblies in the prefectures. A referendum was conducted against a member of an assembly, and the recall was successful. In municipalities, 30 referendums were conducted against the chief executive and recalls were successful in 22 cases. Meanwhile, 44 referendums were conducted against assemblies, and 38 recalls were successful; 15 referendums were conducted against assembly members, and all the recalls were successful.

To recall major public officials, citizens request the chief executive to recall them. The major public officials subject to recall are the deputy chief executive, general wardens of designated cities, election administration commissioners, inspectors, and local public safety commissioners. Upon receiving the request, the chief executive asks the assembly to be deliberate. When two-thirds of the members are present and three-quarters agree, the concerned public official is disqualified from office. Between April 1999 and March 2021, no vote was taken in the assembly on the recall of a major public official.

15.2.3 *Referendum*

There are three types of referendums for local governments: those with a constitutional basis, those with a legal basis, and those based on local government bylaws. The most significant number of referendums implemented is based on local government bylaws. Referendums with constitutional and legal bases are legally binding. In contrast, those based on local government bylaws are not legally binding and are advisory referendums.

Article 95 of the Constitution contains a provision for referendums when enacting a special law applicable only to one local government. Between 1949 and 1952, 19 referendums were conducted under this provision. The special laws covered granted various types of financial assistance for urban reconstruction, all of which were passed with a majority of votes in favour.

Referendums with a legal basis include those under the Act on the Establishment of Special Districts in Metropolitan Areas and those in recalls, as discussed in Sects. 15.2.1 and 15.2.2. Referendums under the Act on the Establishment of Special Districts in Metropolitan Areas stipulate that a designated city alone or an area with a population of at least two million in a designated city and neighbouring municipalities may abolish its municipalities and establish special wards. This system makes it possible to expand the power of prefectures in metropolitan areas. Referendums

were held in Osaka City in 2015 and 2020, but both resulted in majority opposition.

The range of topics covered by referendums, which are based on local government bylaws, is broad. The topics for referendums include those related to municipal mergers and other matters in the area, such as the location of nuisance and public facilities. As of August 2011, there were 383 cases on the issue of whether to merge or a combination of mergers (Shiozawa, 2019, p. 60). This referendum differs from the initiative to establish a merger council that questions the merger itself. As of March 2021, there were 46 cases related to the issue in areas other than mergers, such as the location of nuisance and public facilities.⁵

The form of the referendum under the bylaw is flexible, as local government bylaws determine it. Many bylaws do not specify requirements for passing a referendum. However, some impose conditions, such as 50% turnout, and the referendum fails if the turnout does not meet the criteria. In addition, although most options have two choices (for or against), some present more than one option. Public opinion expressed as a result of a vote depends on the ballot format. For example, if there is a minimum turnout, some people may choose not to attend the polls to prevent the vote from passing. The form of such a vote depends on the intention of the assembly that sets the bylaw. Bylaw-based referendums have been actively implemented since the late 1990s. However, for a referendum bylaw to be enacted, the assembly must vote on it. Consequently, bylaws to implement referendums tend not to be enacted (Takeda, 2017).

15.3 CIVIL SOCIETY ORGANISATIONS

15.3.1 *Overview of CSOs*

In Japan, there are many small local CSOs, but few large national CSOs. This situation is mainly due to the political institutions, such as the regulatory framework, which constrain CSOs' activities (Pekkanen, 2006). However, the Great Hanshin-Awaji Earthquake of 1995 triggered the activities of non-profit citizen-led organisations carrying out activities for the public good. After the Great Hanshin-Awaji Earthquake, many citizens from all over Japan volunteered in areas affected by the disaster. In 1998, the Act on Promotion of Specified Non-profit Activities was enacted to support these activities. Between 2006 and 2008, the legal environment for CSOs improved with the reform of the public interest corporation system.

CSOs provide public services and advocacy. Historically, governments have relied on citizens and CSOs to provide public services, and such CSOs did not primarily engage in advocacy (Pekkanen, 2006). However, this does not mean that CSOs are less likely to advocate for the government because they work with it to provide public services. Instead, the CSOs that provide public services tend to be more active in advocacy (Yanagi et al., 2021). Surveys of CSOs show that a higher proportion of CSOs participate in local government policy processes than in central government (Yanagi, 2015).

15.3.2 *Neighbourhood Associations*

The most prevalent CSOs are neighbourhood associations, often referred to as *Jichikai* or *Chounaikai*. There are 298,700 neighbourhood associations across the country, with no significant change in number over the last 20 years (Ministry of Internal Affairs and Communications, 2017b). Neighbourhood associations conduct a variety of activities. They provide various public services such as local cleaning, beautification, and residential road management, and social activities such as organising local festivals. They are also in daily contact with local governments and communicate local demands (Pekkanen et al., 2014).

Neighbourhood associations are thus a cornerstone of civil society in Japan, but an increasing number of them face the challenges of declining membership rates and ageing membership. Membership in neighbourhood associations is voluntary, although all households are members in some areas. However, the membership is low in some areas. A national survey of neighbourhood associations in 2006–2007 found that 46.9% of neighbourhood associations had a 100% household membership rate in their area and 28.4% had a membership rate in the 90% range. Three-quarters of the neighbourhood associations have a membership rate of 90% or more. Neighbourhood associations with a membership rate of less than 80% account for 12.8%, and these associations are more common in urban areas (Pekkanen et al., 2014, pp. 64–65). However, the membership rate is a household-based number. Some citizens are members as households but not as individuals. In a survey asking individual citizens about their membership in neighbourhood associations, nearly 70% of the respondents said they were members of neighbourhood associations in the 1980s and 1990s. However, this percentage dropped to around 20% in the 2010s (Tsujinaka & Yamamoto, 2021, pp. 22–24).

15.4 RECENT TRENDS

15.4.1 *Co-production*

Since the 1990s, central and local governments have increasingly referred to co-production in their policies. The background to the spread of co-production is the New Public Management context, in which the government's financial difficulties have forced it to deliver public services more efficiently (see Chap. 22). However, co-production occurs not only in the service delivery phase, but also in the policy design and evaluation phase (Nabatchi et al., 2017). In Japan, the participation of citizens and CSOs in various policy stages has increased since the 1990s. It is hoped that the political involvement of citizens and CSOs through co-production will improve democratic politics. Governments have also introduced systems that encourage co-production and public participation during the policy design and evaluation phases. One of the systems introduced by the central government is public comments.

Public comments in the central government are a system for inviting people's opinions in advance when a central government administrative body intends to set out a government ordinance, ministerial ordinance, or other regulations. The law was enacted in 2005 as an amendment to the Administrative Procedure Act. The number of public comments increased since they were legislated. However, the number of opinions submitted through public comments is small and the proportion of revisions to government ordinances and ministerial ordinances made by ministries based on the opinions submitted is low (Harada, 2011). For example, according to the data for 2017, of the 999 cases conducted, 804 were accompanied by submitted opinions, and the total number of submitted opinions was 47,932; the number of submitted opinions per case was approximately 48. The proportion of cases with submission opinions in which the proposal was revised was 21.3% (Ministry of Internal Affairs and Communications, 2019). One reason for the low number of opinions is that interest groups can have their opinions heard prior to the public comment at the drafting stage (e.g. at the council), and there is no incentive to use public comments. In addition, because of the coordination between various interest groups and the ruling party at the drafting stage, it is not easy to revise a draft when public comments are made (Harada, 2011).

Many local governments have introduced public comments; as of 2017, 97.9% of prefectures and 57.2% of municipalities had introduced public

comments (Ministry of Internal Affairs and Communications, 2018). The grounds for enacting public comments vary among bylaws, regulations, outlines, summaries, and guidelines, and matters subject to public comments are often drafts of policies or bylaws (Ministry of Internal Affairs and Communications, 2018).

In addition, local governments have introduced institutions to encourage citizen participation and co-production. According to a national survey of municipalities in 2007, 42.2% of municipalities had introduced a system of open recruitment of council and advisory committee members; 37.7% had introduced a survey to ascertain citizens' intentions; 27.8% had introduced a system to receive opinions from citizens and make their responses public; 27.2% had introduced citizen meetings and workshops where citizens participated in the policy design phase and discuss the issue with the administration; and 17.3% had introduced a monitoring system where citizens were surveyed by registered monitors. All of these institutions saw a sharp increase in introductions from 2000 (Yanagi, 2010, pp. 97–103).

A growing number of local governments are involving citizens in the policy evaluation phase. As of 2016, 66% of prefectures and 44.2% of municipalities had introduced a system to incorporate citizens' voices among local governments conducting policy evaluations (Ministry of Internal Affairs and Communications, 2017a). In some local governments, citizens were appointed as members of the evaluating assemblies, or CSOs have been the main actors in these evaluations. The extent to which the opinions of participating citizens matter varies from one local government to another.

15.4.2 *Citizen Participation in Local Assembly*

There has been a move to introduce citizen participation initiatives in local assemblies. The traditional system of citizen participation in assemblies consists of petitions and appeals in which citizens submit their opinions to the assembly. There is also a system of public hearings and witnesses that may allow citizens to express their opinions during assembly deliberations. In recent years, an increasing number of local governments have introduced new citizen participation initiatives such as assembly debriefings, assembly monitoring, and public comments.

Petitions are institutions provided for in the Local Autonomy Act, whereby anyone can submit opinions and requests concerning the affairs

of the local government through an introduction by a member of the assembly. Accepted petitions are referred to the standing committee for examination. After the examination, the petition is referred to the plenary session, which votes on whether it should be adopted or rejected. If the assembly adopts a petition, it sends it to the relevant institutions and asks them to try to realise it. For example, in 2020, city councils processed 2615 petitions; 33% were adopted, 49.4% were rejected, and the remainder were continued or withdrawn (National Association of Chairpersons of City Councils, 2021). In town and village assemblies, 1090 petitions were processed; 65.6% were adopted, and 23.4% were rejected (National Association Chairpersons of Town and Village Assemblies, 2022). The number of petitions processed was not high, with an average of 3.2 in cities and 2.5 in towns and villages (National Association Chairpersons of Town and Village Assemblies, 2022; National Association of Chairpersons of City Councils, 2021).

An appeal works similar to a petition; however, no legal provision exists. Many local governments treat the submission of opinions without referral by an assembly member as an appeal. The treatment of appeals varies from one local government to another, with some local governments following the same procedure as for petitions. In contrast, others do not vote on them in plenary sessions or only circulate them without examination by a committee.

Public hearings and witness systems also exist as institutions, as stipulated by the Local Autonomy Act. Public hearings are institutions whereby assemblies can hold public hearings on budgets, other essential proposals, and petitions to hear the opinions of interested parties and experts. However, only a few assemblies have held public hearings: a few municipal assemblies held public hearings in plenary sessions or committees in 2020 (National Association Chairpersons of Town and Village Assemblies, 2022; National Association of Chairpersons of City Councils, 2021). In addition, the witness system is simpler in practice than public hearings. It allows the opinions of interested parties and experts to be heard for the investigation and examination of a municipality's affairs. In 2020, there were 198 cases in city councils and 152 in town and village assemblies in which witnesses were invited to attend plenary sessions and committees (National Association Chairpersons of Town and Village Assemblies, 2022; National Association of Chairpersons of City Councils, 2021).

In addition to the mechanisms stipulated in the Local Autonomy Act, an increasing number of local governments have introduced citizen

participation initiatives into their assemblies since the 2000s. One such effort is assembly debriefing, during which the assembly reports its activities to citizens and exchanges opinions. In 2020, 27.1% of city councils and 19.4% of town and village assemblies held debriefings (National Association Chairpersons of Town and Village Assemblies, 2022; National Association of Chairpersons of City Councils, 2021). Assembly monitoring differs from assembly debriefings in that their membership is limited, and their views on the assembly on a more permanent basis are heard. In 2020, 3.8% of city councils and 9.9% of town and village assemblies had introduced assembly monitoring (National Association Chairpersons of Town and Village Assemblies, 2022; National Association of Chairpersons of City Councils, 2021). Regarding public comments, 4% of city councils implemented them in 2020 (National Association of Chairpersons of City Councils, 2021).

15.5 CONCLUSIONS

In Japan, co-production and citizen participation are well developed, particularly among local governments. The institutions of direct democracy used traditionally tend to be utilised by citizens and CSOs who have opinions different from those of chief executives and assemblies. However, in some institutions, citizens do not have the final authority to make decisions, and the chief executives and assemblies do not always respect citizens' voices. Even in institutions where citizens have the final authority to decide, the requirements for triggering them are strict or the topics are limited. In co-production and citizen participation, which have advanced since the 1990s, governments have actively tried to include citizens and CSOs in policy processes. This trend is primarily due to the positive evaluation of civic engagement since the 1990s, but also due to the government's financial difficulties. In many cases, citizens and CSOs do not have the authority to make decisions about these institutions, but the government has moved to incorporate the voices of citizens and CSOs. As co-production has expanded in recent years, its problems have been highlighted.

Co-production involves issues of accountability and transparency. The manner in which citizens and CSOs provide services and participate in government decision-making makes it unclear who will be accountable for their services and decisions. As governments seek to achieve the functions that they have been tasked with sharing with CSOs, it is crucial to

understand how governance works. CSOs involved in services and decision-making are increasingly being held accountable.

A persistent problem with co-production is that it involves only a small number of citizens. Although the introduction of co-production has increased since the 1990s, there has been a decline in citizens' political participation and a trend towards non-membership in associations. The proportion of Japanese who participate in politics is generally not high, except for voting in elections. The ratio of political participation has declined since the 1990s, and the lower the socioeconomic status of the population, the more likely they are not to participate in politics (Kabashima & Sakaiya, 2020). The membership rate of citizens in associations has been declining annually, especially since the 2000s, when the number of citizens stating that they are not members of any organisation increased sharply (Tsujinaka & Yamamoto, 2021). Even if the government wants to work with citizens and CSOs, if few citizens participate and belong to the CSOs with which they work, only a small number of citizens will participate.

Although the government promotes co-production and citizen participation initiatives, there are challenges in making them sustainable. In the area of public service delivery, the membership rate of CSOs such as neighbourhood associations, which used to be partners in co-production, is declining, and some CSOs find it difficult to sustain their activities. There is an increasing tendency for only some citizens to participate in the policy design phase. Improving political participation inequalities to make participatory administration a sustainable initiative is becoming increasingly important.

NOTES

1. The central government's referendum system includes a procedure for constitutional amendments provided for in the Constitution of Japan. The recall system in the central government is a national review by Supreme Court judges, as provided for in the Constitution of Japan.
2. The data are based on the Monthly Report on Local Government by the Ministry of Internal Affairs and Communications. The same source was used for subsequent recall data.
3. A similar institution, which is allowed by other legislation, is a request for the recall of the superintendent of education and members of the board of education.

4. If the number of voters in the local government exceeds 400,000 but does not exceed 800,000, the number of signatures must not be less than the sum of the number exceeding 400,000 multiplied by one-sixth and the number 400,000 multiplied by one-third. If the number of voters exceeds 800,000, the number of signatures must be at least the sum of those exceeding 800,000 multiplied by one-eighth, 400,000 multiplied by one-sixth, and 400,000 multiplied by one-third.
5. Sources are Takeda (2017) and data from the Monthly Report on Local Government by the Ministry of Internal Affairs and Communications.

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The Digital Transformation (DX) of the Japanese Government

Koichiro Agata

16.1 INTRODUCTION

The Japanese Government defined digital transformation (DX) as creating new business models and modernising them elastically by using new digital technologies for innovating the future as well as enhancing competitiveness by using a third platform for virtual or real communications with clients after adapting external changes and modernising internal systems.¹ It can be well evaluated in comparison with a new definition of DX for the public sector by Stolterman, which ‘requires transforming the attitude and culture of the public sector to become innovative, agile, and collaborative’² because it suggests new values and enhanced competitiveness along with flexible modernisation in cooperation among the concerned actors.

Despite the argument that any E-Government, in which many aspects of governmental activities should be implemented through DX, is one of the most important models for administrative modernisation, it can only

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be characterised by an instrument for any reform. It is also crucial to determine the purpose of the instrument.³ Thus, some fundamental directions of DX in government can be found in following aspects: to share digitised information and files between actors in various locations and to overcome their spatial distance simultaneously or asynchronously, such that the resulting broader range of actors for the joint use of information and their thus expanded communication can contribute to increasing the quality of decisions made by the actors concerned.

In this chapter, the development of DX by the Japanese government is discussed based on four principles to be later alluded to, to indicate some perspective for further progressions. Therefore, the chapter is structured in the following four parts: presenting the four principles as an ideal constellation for practical DX systems, reflecting on the DX developments in the broader and narrower context with the central government, discussing them according to the principles in the last years, and a conclusion comprising summarised discussions and some perspectives.

16.2 FOUR PRINCIPLES FOR DX IN GOVERNMENT

At least four different principles for DX in government can be observed, namely, standardisation, digitisation, sharing data, and security.⁴

16.2.1 Standardisation

Standardisation means that administrative data should proceed through the same forms, processes, and channels that are common to the concerned administrative offices and finally to the citizens. First, the principle of written form for administrative documents must be fulfilled: all administrative activities and their background data should be recorded in written form for subsequent scrutiny. Moreover, written records should be administered through uniform rules for document management and circulation throughout administrative offices at the central level. Furthermore, the networking of electronic communication infrastructure, on which administrative documents should be circulated, should be set up. First, closed within the public administration, then open to the citizens, to ensure full compatibility of the files concerned within the public administration and through common applications or emulations also for citizens.

16.2.2 *Digitisation*

Digitisation means that the concerned administrative data should be produced and dealt with only in electronic forms. There are two diverse groups of administrative data to be digitised: first, the past data, which are originally written in paper forms, to be electrified retrospectively, and then present data which must be produced in digitally born forms.

16.2.3 *Sharing Data*

The notion of sharing data can refer to the joint use of any administrative information in digitised or even paper form for decision-making and/or implementation of measures among concerned administrative offices. For this, it is necessary to establish a system for sharing data via the digitised files on the standardised system through any sort of archive or cloud migration to make decisions and take action within public administration and with society.

16.2.4 *Security*

For administrative offices, security implies ensuring the sharing data via digitised files on the standardised system without internal leakage and external interference. The former can occur intentionally or unintentionally through administrative staffs dealing with the concerned data, whereas the latter can occur intentionally or unintentionally.

A reflection on the relationship between the four principles would be useful for further discussion. Standardisation and sharing data do not always involve digitisation of data; paper form also involves standardised data, which have been shared through different procedures. However, the digitisation of data could promote standardisation and increase the range of sharing excursively. It would be inculcated that digitisation could qualitatively and quantitatively enrich the level of standardisation and sharing of data that would have remained in traditional forms. This logical constellation of the principles is warranted in practical procedures, which should be perpetuated by concrete measures to be deduced from the principle of security; security preserves wholesome relations among the other three principles.

16.3 REFLECTIONS ON DX DEVELOPMENT OF THE JAPANESE GOVERNMENT

For enquiries on DX development in a society, at least three distinct phases among the concerned actors should be classified:⁵ citizens to citizens (C2C), between the citizen and the government (G2C/C2G), and within the government (G2G). Based on the three types of relationship, a distinction should be made between two different levels of DX policy in terms of its scope, namely, DX measures for the whole society in which a government should be counted as one of the important actors, although it should take the initiative to improve DX in the society; this can be called a macro-policy for C2C and G2C/C2G. On the other hand, the second category of DX micro-policy involves the government steering the relationship between G2G and G2C/C2G for the sake of DX.

16.3.1 DX Policies Based on DX by the Government (Macro-policy)

There should be marked four separate epochs of the DX macro-policy by the government from 2000, when the ‘Basic Act on the Formation of an Advanced Information and Telecommunications Network Society’ was issued; it showed a clear orientation of DX in Japan.⁶

The first epoch lies in 2001–2003; the concept in this epoch lies in information and communications technology (ICT) infrastructure development, namely, in further developing the physical environment for Internet use by improving ICT infrastructure. For this sake ‘e-Japan Strategy’, ‘Priority Plan for e-Japan’, and ‘e-Japan 2002 Program’ were so decided that they prefer establishing super-high-speed networks, improving conditions for e-commerce, implementing electronic governments, and empowering concerned human resources. Resultantly, the establishment of super-high-speed infrastructures was so advanced that the epoch could be characterised through a very wide spread of broadband networks.

The time span between 2003 and 2010 provides the next epoch which can be identified through a stage of promoting ICT exploitation, a new strategy of its modernisation, and a proposal for an ICT policy road map. The ‘e-Japan Strategy II’, determined in 2003, suggested seven sectors in which ICT should be much wider exploited, namely, medicine, nutrition, everyday life, finance for small- and middle-sized firms, intellect, work, and administrative services. The ‘IT New Modernisation Strategy’ issued

in 2006 set a goal of establishing a ubiquitous society in Japan, in which anytime, anywhere, whoever, and whatever should be processed through ICT by planning three groups of policy for problem-solving by ICT, improving infrastructures for the ubiquitous society, and contributing to global society. Due to the global fiscal crisis of 2009, the government renewed ‘i-Japan Strategy 2015’ by overwriting its predecessor of 2006 that digital technologies should include all aspects of economic and social life as if they were air or water (Digital Inclusion). This idea should be implemented in the fields of E-Government, medical and health services, education, and human resources. Thereafter, the ‘New ICT Strategy’ was published to empower citizens for ownership in a digital society.

From 2010 to 2018, the third epoch was observed. The main purpose lies in promoting the exploitation of digital data. Not only governmental, but also personal digitised data should be so utilised that citizens can reap benefits from their exploitation; the ‘Society for Utilising Governmental and Personal Data’ should be established. The ‘Declaration to Create a globally most advanced IT-Nation’ was published 2013, in which opening governmental data to the society to use big data was especially emphasised. An important basis for this orientation was established by issuing the ‘Basic Act on the Advancement of Public and Private Sector Data Utilization’ 2016, which defines central and prefectural governments as key actors determining the ‘Basic Plan for the Advancement of Public and Private Sector Data Utilization’ 2017. These basic plans set priorities for the eight fields of E-Government, healthcare, tourism, banking, agriculture, manufacturing, disaster management, and transportation to consolidate the economy and finance, vitalise regional communities, and secure the safety in the society. Furthermore, the ‘Guideline for Promoting Digital Government’ 2017 and the ‘Implementation Plan’ 2018 were set up consecutively to reinvent administrative services, establish a platform for public/private cooperation, and promote ICT governance.

Since 2018 we were faced the latest epoch. The main concept of this epoch was the creation of a digital society. The background for this goal setting lies in that ICT infrastructure in Japan can be evaluated as advanced in international comparisons, while the practice of e-government and big data should be fundamentally developed through public/private cooperations in sharing data. For this sake, the ‘Basic Plan for the Advancement of Public and Private Sector Data Utilization’ set in 2017 was renewed by emphasising administrative modernisation by thorough exploitation of digital data and digital reform in local societies and private sectors.

These processes during the four epochs can be evaluated first through advanced networking in Japanese society in terms of C2C and G2C/C2G in terms of standardisation of electronic infrastructure as networking and its expansion by macro-policy, which substitutes fundamental factors for enforcing the laws and measures as micro-policy for DX of the Japanese government by improving the DX through governmental arrangements accumulated in layers developed during the four epochs.

16.3.2 *Laws and Measures for DX in National Government (Micro-policy)*

In this context, some concrete laws and measures should be implemented according to these four principles.⁷ A framework for the micro-policy by the Japanese government is first provided with the abovementioned ‘Basic Act on the Formation of an Advanced Information and Telecommunications Network Society’, which ordained the orientation of the society and the missions of the central and local governments. However, it was overwritten by the Basic Act on the Formation of a Digital Society of 2021 which amended governmental missions by shifting weights on the realisation of a digital society and international contribution. Within this framework, some laws have been passed to transact the four distinctive DX principles in the sense of micro-policy for G2G and G2C/C2G.

1. Standardisation

In the sense of standardisation, at least two laws should be considered. First, the ‘Public Records and Archives Management Act’, enacted in 2009, created the principle of written form of administrative documents as an important basis for the ‘Act on Access to Information Held by Administrative Organs’ issued in 1999 for the right of citizens to require the release of the administrative documents desired by them. Moreover, the former determined a uniform rule for the internal management of written administrative documents by setting their life cycle from drawing, ordering, reserving, filing, and disposing or transferring them to an archive. This process should be published in the form of an annual report on the transparency of documents’ management in the government. However, each ministry can frame its own ordinance based on uniform rule.

Furthermore, the ‘Digital Procedure Act’ passed in 2019 established three standards of ‘Digital first’, ‘Once only’, and ‘Connected one stop’.

The first one means to conclude any administrative services and procedures by digitised form, while the second intends that any data should be collected only once, and it is a basis for their collective exploitation. Third, different administrative services and procedures for one specific purpose should be compounded in only one agency, including those in the private sector.

2. Digitisation

Considering the principle of digitisation, the Cabinet Office organised an Advisory Board to let them submit an ‘Interim Report Systematisation for Appropriate Management, Preservation, and Utilisation of Public Records’ in 2004, which promoted discussions on institutionalising a centralised management of public records in internal processes and planning management of digitised public records in their life cycle. This was a starting point for consideration and institutionalisation of digitisation. The new concept of the government is reflected in the ‘Basic Guideline for electronic Management of Public Records’ in 2019, which provides orientations for systematic management through cloud migration and automatic management of public records. However, if reserving records in paper forms can be permitted needs to be decided upon and it would be efficient by considering the costs of their digitisation.

3. Sharing data

In this context at least five laws or ordinances have been suggested. The ‘Statistics Act’ was amended in 2007, in the past 60 years, to allow common use of the original data of statistics gathered by each ministry, all of which had been compiled only for different designated purposes, first among all ministries and then by private actors if they fulfilled certain conditions for the intended utilisation. The ‘Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (My Number Act)’ was issued in 2013, which determines that all citizens registered with their own residence certification in Japan should be allotted with their own number (My Number) so that different pieces of their personal information, e.g., in the fields of welfare, medicine, and tax administrations could be efficiently managed by using the My Number system to ameliorate benefits on the side of the citizens.

The ‘Basic Act on the Advancement of Public and Private Sector Data Utilization’ was passed in 2016. It aims for both sectors to circulate and use their own digitised data mutually to activate each of the regional communities, create new businesses, enhance the international competitiveness of Japanese society, and provide a basis for concrete implementation of the ‘My Number Act’. Its amendment was conducted in 2022 that the system should be further applied in fields such as national qualifications, car registrations, and non-Japanese residents and be promoted to function more smoothly by supplemental technical measures. The ‘Guideline for Appropriate Using of Cloud Migration in the Governmental Information Systems’ was published, by which the introduction of cloud migration among governmental agencies should be preferred and standards for selection of migration options have been objectively reviewed and identified.

4. Security

In 2014, the ‘Basic Act on Cybersecurity’ was adopted to define fundamental strategies and measures for intensifying security measures and governmental responsibilities, thus promoting comprehensive and efficient measures for security in the governmental field. This policy has been concretised in the ‘Common Standards for Cybersecurity Measures in Governmental Offices’ issued in 2021 which show a uniform framework for strengthening the level of information security in national administrations by drafting necessary measures to provide improved information security. Applying these standards, the national administration could operate appropriate measures to reinforce the security.

5. Establishment of the Digital Agency

For comprehensive management of the micro-policy for DX in the Japanese Government, a steering centre was organised in the Cabinet Secretariat in 2013. The General Strategy Bureau for IT, in which representatives from 12 different ministries and agencies have been meeting, especially from the Cabinet Office and MIC, which are mainly responsible for at least the abovementioned 11 laws and ordinances. The Bureau contributed to general coordination for enhancing citizens’ benefits through ICT utilisation and administrative management. The Bureau was reorganised into the Digital Agency as a control tower for the DX in the central government which includes more representatives from other agencies in

2021. The Digital Agency (DA) is expected to facilitate cooperation among concerned actors in the governmental and private sectors and take initiatives to promote DX in the whole society.⁸ Based on the abovementioned constellation of laws and measures for DX, the current situation in Japan should be discussed considering DX principles in the following sections.

16.4 DISCUSSIONS ACCORDING TO THE PRINCIPLES

16.4.1 Standardisation

The establishment of the Public Record Act assured the written form principle by settling the life cycle of administrative files through unified management rules and organising a common monitoring system for the document management system. However, each ministry should issue its own ordinance for the management system based on the unified rules.

With regard to the electronic standardisation, some aspects of the electrified procedures are reflected in Fig. 16.1.⁹ The first two bar charts elucidate that the total number of the administrative procedure types applied in over 10,000 cases occupies only 3.7%, while they account for 99% of the total cases executed. This suggests that it is not necessary and

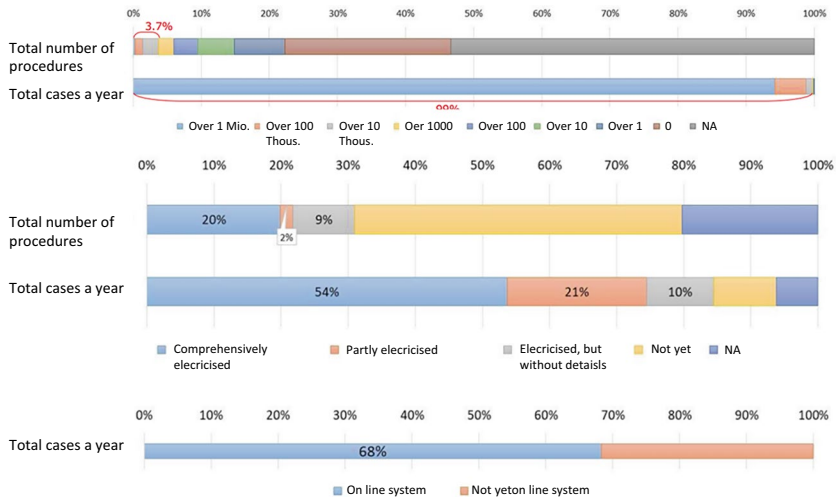


Fig. 16.1 Standardised procedures in the central government. Source: DA, 2022

effective to electricise all types of administrative procedures; an electronic standardisation should be realised in restricted fields, where the total number of those cases can be counted a year over 10,000.

The next two bar graphs substantiate that the total number of already electricised administrative procedure types remains 31% among all types, while the total number of the electronically concluded cases per year is up to 85%. The situation demonstrated through the first two charts can be found the background of this situation. The last graph verifies that the proportion of procedures accomplished online amounts to 68% of all administrative procedures in the central government. Considering the restricted total number of procedures to be electricised, it can be expounded that the electronic standardisation in the national administration could stand on a not low level of implementation. A famous important example of the standard ‘Connected one stop’ lies in the ‘Electronic Custom Declaration’.¹⁰

In these statistics, procedures exchanged among the central as well as local governments, private sectors, and citizens are included. Hence, the following two points are important: first, the range of the administrative procedures to be electricised should be restricted, although the situation must be further observed; second, many parts of the already electricised procedures are not utilised less. Additionally, the contents exchanged through the electricised procedures are not only concerned with data for routine decisions, but also decisions to be made new and precise. Therefore, the more procedures are used, the more significant they are for quantity and quality improvement in administrative decisions.

16.4.2 *Digitisation*

Regarding the intensity of digitisation in the central government, there are objective data; Fig. 16.2¹¹ shows a classification after media of administrative documents from 2011 to 2022. However, most of their parts remained written in paper forms in total numbers, and much less than expected could be characterised; at most, 18.8% of the administrative files were digitised in 2022. In these statistics, most of the newly produced administrative data were still recorded in paper forms.

In contrast, in some recently institutionalised agencies such as the Consumer Agency established in 2009 and the Digital Agency in 2021, digitisation has been well developed (92.6% and 86.2%, respectively). In many of other traditional ministries, the legend of paper-based documents occupies the current situation, except for the Fire Protection Agency as an extra-ministerial bureau at the Ministry of Internal Affairs and Communications which

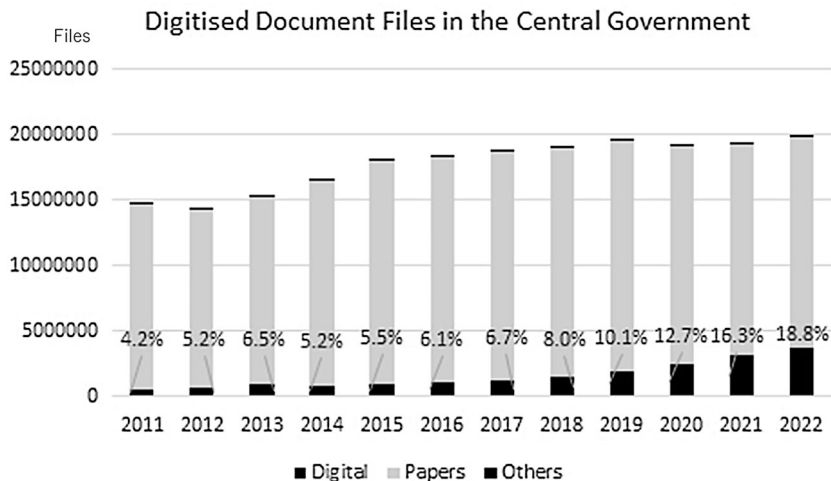


Fig. 16.2 Digitised files in the central government. Source: Drawn by the author based on CAO, 2023

takes the lead management of the DX (72.2%). So far, based on the observation in this section, it cannot be suggested that the standard of ‘Digital First’ has not been fulfilled. Therefore, it is essential to produce new administrative documents only in digital form.

16.4.3 Sharing Data

The principle of sharing data is settled by the amended Statistics Act offering an option to use original data for statistics among the ministries. This principle was first secured within public administration and could be enhanced by the planned introduction of cloud migration of files between ministries. For this purpose, the ‘Basic Guideline for Cloud Services in the Governmental Information System’ has been published, which prefers introducing a cloud system for the central government by conferring a gradual idea of scrutinising options and selecting an optimal one. Concrete measures based on the sharing data principle can surely contribute to promoting the standard ‘Once Only’, because a certain information gathered by only a certain office can be easily and structurally shared through a well-established cloud system, if an accessibility for sharing among all the offices could be practically established. Therefore, the observation of the sharing data principle is indispensable.¹²

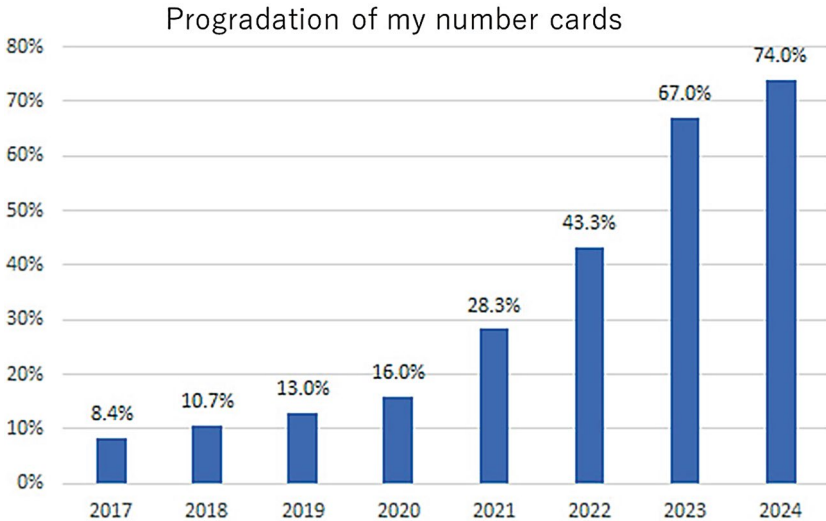


Fig. 16.3 Progradation of my number cards. Source: Drawn by the author based on MIC, 2024, as of June in 2024, otherwise of every March

Furthermore, Fig. 16.3¹³ draws the development of My Number Cards' propagation in the past years. Since 2021, good developments have been made because the central government has been offering incentives for the citizens to issue their own cards. The newest data reflected on the rightest side of the table are truly related to only the number of applications, but amount to 74.0% in June 2024¹⁴ because of very active promotion campaigns by the central government. A further development of the propagation can be expected because the government intends to extend the use cases of the cards.

In recent years, the My Number Cards system has been applied in some fields, namely, registration of residents in Japan in 2016, tax return in 2019, and health insurance and medical data in 2021. The frequency of usage of the Cards system has been considered in the statistics in Sect. 16.4.1. In the third case, it has already been planned to abolish the conventional health insurance card to integrate the My Number Cards fully into the health insurance system by Winter 2024. Further propagation stands in conception in fields such as driving license and information system for civil protection in the case of natural disasters.

16.4.4 *Security*

To assure a cybersecurity system in the national government, a satisfiable development of concerned organisations can be observed as follows: the Section for Information Security Measures was founded at CAS in 2000 and expanded in terms of organisational competences and volumes on to the Information Security Centre at CAS in 2005. Based on this organisational foundation, the National Centre of Incident Readiness and Strategy for Cybersecurity was established at CAS in 2015 in cooperation with the Cyber Security Cabinet Centre which was organised on the occasion of the issued Basic Act for Cybersecurity. This constellation enables the compilation of common rules on cybersecurity, remedies for measures against malicious incidences, cross-cutting monitoring and prompt coordination among the concerned offices.¹⁵

In addition, the DA, established in 2021, provided a zero-trust principle guideline for the central government.¹⁶ Not only from actors outside of organisations, but also with them, the zero-trust principle for cybersecurity means that all accesses should always be assessed because they are not always confidential; although the costs for the assessment truly would be high, the total costs in financial and physical terms can be calculated if these costs are avoided which would have been evoked by possible invasions through nonconfidential accesses. On the other hand, it asserts that the principle of Data Free Flow with Trust (DFFT) should be objected, which aims to facilitate free international distribution of data by securing trust in privacy, security, and copy rights.¹⁷

Coming back to the logical constellation of the four DX principle, it can be mentioned that the security principle would be protected by making the zero-trust and DFFT compatible, a possible innovative relationship among the other three. On the other hand, the digitisation principle as a decisive factor for the sharing data principle must be immediately promoted by aggrandising new digitally born administrative data, while the standardisation principle can be said to be relatively well satisfied, so far as the as least necessary range of administrative procedures has been recognised and utilised in digital form.

16.5 CONCLUSION

16.5.1 *Summarised Discussions of DX in the Japanese Government*

Based on the discussions related to the four DX principles, the following points are worth emphasising. First, concerning the standard principle, formal conditions, namely, the written form principle, the uniform rule for document management and circulation, as well as networking and its expansion of electronic communication infrastructures are met, while the electronic procedures are still to be applied extensively. As the Digital Procedure Act requires, at least one of the procedural standards ‘Connected one stop’ can be promoted if they could be enhanced in various fields. Second, in the framework of the digitisation principle, more administrative files should be produced in digital form. The current volume of already digitised administrative documents must be evaluated as underwhelming if any DX in the central government should be promoted unobstructed. Furthermore, in the context of the sharing data principle, the cloud migration system in the central government has just been embarked upon, while the My Number system will be further broadened and applied more deeply in concrete areas. Finally, a cybersecurity system is reliably developed to implement the zero-trust principle in compatibility with the DFFT principle.

16.5.2 *Perspectives*

Based on the above-conducted observations, there are at least four viewpoints on monitoring and discussing DX measures and developments in the Japanese central government. First, how to estimate the leadership of the DA in the field of any development of cloud migration which should further promote the networking and common use of digitised data among the central administrative organisations, and any enhancement of security, thereby securing a much less disturbed and accurate development of DX in the central administration. Moreover, how could the multiple function of the My Number system be realised in the abovementioned fields of health insurance and medical data, drivers’ licence, and personal data for disaster management? Any extension of the applied fields of the My Number System can suggest that the principle of sharing data could penetrate among the concerned agencies in the central government. Fundamentally, any basic broadening of digitised files must be conducted to concretise the principle of digitisation. Finally, for medium-term observations and

analyses of digital transformation in the Japanese central government, we should ask how the developments detected in this chapter would affect the effectiveness of the implementation, and the quality of the decision, although in the field of electronic administrative procedure, relatively good performance can be observed in terms of decision and implementation.¹⁸

NOTES

1. Cabinet Office (CAO), 2020, “Sekai Saisentan Dejitaru Kokka Souzou Sengen/Kanmin Deta Katuyou Suisin Keikaku” [Declaration to Be the World’s Most Advanced IT Nation - Basic Plan for the Advancement of Public and Private Sector Data Utilization], in: <https://warp.ndl.go.jp/info:ndljp/pid/12187388/www.kantei.go.jp/jp/singi/it2/kettei/pdf/20200717/siryou1.pdf>
2. Stolterman (2022).
3. Pollitt and Bouckaert (2017, pp. 7–8).
4. The explanation in this section was based on Prasad (2003, pp. 4–5), Guckelberger (2019, p. 77), OECD (2022, pp. 3–5), Wollinger and Schulze (2020, pp. 29–30), Okamoto (2020a, b, pp. 41–43), and Fukuda et al. (2002, pp. 63–64).
5. This conventional classification is suggested by Kuhlmann and Wollmann (2019, pp. 309–311) for discussions on the intensity of DX and cf. Fukuda et al. (2002, pp. 60–64).
6. The explanation in this section was based on Enomoto (2020), Kamimura et al. (2012, pp. 42–61), Morita (2014, pp. 90–95), Ministry for Internal Affairs and Communications (2021). *Joho Tsushin Hakusho* [White Paper on Info-Communications]. <https://www.soumu.go.jp/johotsusintokei/white-paper/ja/r03/pdf/index.html>: pp.4–10 and Taniguchi and Ko (2020).
7. The explanation in this section was based on Honda (2022), Okamoto (2020a, pp. 58–60, 73–79, and 80–87), and Okamoto (2020b).
8. Digital Agency. (2021). *Hodo Shiryo* [Media Materials], on 1 September 2021, https://www.digital.go.jp/assets/contents/node/information/field_ref_resources/916c0f02-a2af-4427-bcd6-c529c9a58409/20210901_news_01.pdf
9. The graphics and the related statistics were cited and translated by the author from Digital Agency (DA), (2022). *Gyosei Tetsuduki Tou no Tanaorosi Kekka Tou no Gaiyo* [Summary of Inventories in Administrative Procedures] https://www.digital.go.jp/assets/contents/node/basic_page/field_ref_resources/06ac5a18-3aa3-4fc6-a15a-866d4f7cd3f9/8d4d6fbe/20220711_resources_procedures_inventory_result_outline_01.pdf.
10. Japanese Customs. (2022). *Export/Import*. <https://www.customs.go.jp/english/exp-imp/index.htm>

11. The graphic was drawn and the related statistics cited by the author from the data of CAO (2023). *Reiwa 4 Nendo ni Okeru Kobunsho Kanri no Jokyo ni Tsuite* [On Circumstances of Public Records Management in 2022]. https://www8.cao.go.jp/chosei/koubun/houkoku/2022/pdf/2022_houkoku.pdf (referred to on the 25th July 2024).
12. On the side of the local government, their cloud migration is much advanced in comparison with the central level: 38.4% of the whole local governments implied their own cloud system, while 35.1% of them is sharing some group migration systems as of 2020 based on Ministry of Internal Affairs and Communications (MIC) (2020). *Kuraudo Donyu Jokyo* [Current Situations of Introduced Cloud Systems]. https://www.soumu.go.jp/main_content/000743575.pdf
13. The graphic was cited from MIC. (2022). *Joho Tsushin Hakusho* [White Paper 2022]. <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r04/pdf/01honpen.pdf>: p.104 and MIC. (2023a). *Joho Tsushin Hakusho* [White Paper 2023]. <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r05/html/datashu.html#f00337>: p.156 (referred to on the 15th August 2023).
14. MIC. (2024). *Mainanba Kado no Fukyu* [Issues of the My Number Cards]. https://www.soumu.go.jp/kojinbango_card/kofujokyo.html (referred to on the 25th July 2024).
15. National Centre of Incident Readiness and Strategy for Cybersecurity (NISC). (2022). *Wagakuni ni okeru Saiba Sekyuriti Seisaku no Suishin Taisei* [Promotion System for Cybersecurity Policy in Japan]. https://www.nisc.go.jp/pdf/about/nisc_gaiyou.pdf
16. DA. (2022). *Zero Torasuto Akitekucha Tekiyo Hoshin* [Implementation Guideline for Zero Trust-Architecture]. https://www.digital.go.jp/assets/contents/node/basic_page/field_ref_resources/e2a06143-cd29-4fld-9c31-0f06fca67afc/5efa5c3b/20220630_resources_standard_guidelines_guidelines_04.pdf
17. MIC. (2022). *Joho Tsushin Hakusho* [White Paper on Info-Communications]. <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r04/pdf/01honpen.pdf>: pp. 186–187.
18. A renewed attention should be brought to the development of generative artificial intelligence (AI) in context with DX in the public administration in Japan. The Japanese Government organised a Strategic Committee for AI composed of seven specialists and nine politicians as well as officers in May 2023. CAS. (2023). *AI Senryaku Kaigi* (Strategic Committee for AI: https://www8.cao.go.jp/cstp/ai/ai_senryaku/ai_senryaku.html), referred to on the 15th August 2023.

(All of the above-mentioned URLs without specific remarks were referred to at latest on the 30th January 2023)

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The Management of Human Resources in Japan's Public Service

Mika Nishimura

17.1 INTRODUCTION

Human resource management in the Japanese public sector has been characterized by *people*-based management since before World War II. The renewal of the public service system through postwar reforms was an attempt to change this trend. An American-style job-classification system was legislated as the foundation of the *position*-based management. However, a job-classification system failed to be adopted and the prewar personnel practices based on *people* remained in effect.

Since the 1990s, there has been an active debate on reforming the public service system, and the introduction of a new personnel evaluation system that focuses on the duties of each *position* has led to a shift from seniority practices to ability and performance management. In addition, the national public service system was reformed to be more responsive to political leadership.

As a result of these reforms, *position*-based management is gaining more weight than *people*-based management, but the Japan's public

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service system still struggles with the relationship between *people* and *positions*.

This chapter will review how the relationship between *people* and *positions (and duties)* in human resource management has changed and explain the characteristics of the public service system in Japan.

Briefly defined, *people*-based management means positions are selected for the people based on their abilities and personalities. In contrast, *position*-based management means the suitable people are selected for the positions because they have the abilities and qualifications required for the positions. While both have their gray zones, I will attempt to simplify the discussion on this topic.

17.2 DISCREPANCY BETWEEN POSITION-BASED SYSTEMS AND PEOPLE-BASED OPERATIONS

17.2.1 *Prewar Personnel Management*

Prior to World War II, there were several types of public employees (Nihon Komuin Seidoshi Kenkyukai, 1989): *officials of the Emperor (Tenno no Kanri)* who occupied managerial positions at the national and prefectural governments, public officials working for prefectural and municipal governments, and other many employees under private employment contracts.

Officials of the Emperor, whose human resource management was systematized by Imperial Orders, were obligated to serve the Emperor faithfully and unendingly. An *official of the Emperor* was appointed to each *position*, after being granted the status under a strict status system. Salary was not given for labor but rather bestowed to maintain dignity as an *official of the Emperor*.

In order to attract the best talent to become *officials of the Emperor*, recruitment examinations had been carried out since 1887. Most high-ranking officials were graduates of the Faculty of Law, Tokyo Imperial University, which was founded to train bureaucrats. As the party politics gained momentum, politicians began to intervene in the appointment of public officials. Abuse of the leave system effectively forced public officials into retirement by the change of government, such that the status of officials was not always guaranteed.

17.2.2 *Creating the New Public Service Under the New Constitution*

After World War II, the public service system was restructured and launched at the national level (National Public Service Act in 1947) and then the local level (Local Public Service Act in 1950) under the GHQ (General Headquarters, the Supreme Commander for the Allied Powers)-led Occupation. Public employees including *officials of the Emperor* became servants of the whole community, and their basic human rights came to be respected, albeit with certain restrictions imposed on basic labor rights and political activities. The status system for officials was abolished and human resource management became fair and equal to all public employees.

The democratic control of the public service is another major difference from the prewar system. That is, basic principles and working conditions are regulated by law or ordinances and the personnel expenses are subject to approval by the Diet. Moreover, the National Personnel Authority (NPA) was established by the revised National Public Service Act in 1948 as a neutral third-party organization. The NPA has many roles in human resource management: to set personnel management standards, to implement recruitment examinations and trainings, to make remuneration recommendations to both the Diet and the Cabinet as compensation for the restriction of labor rights, and to review the adverse dispositions after receiving an appeal. These roles guarantee the fairness and political neutrality of human resource management much more than before the war. Similar third-party organizations, personnel committees for prefectures and large cities such as designated cities, equity commissions for other municipalities, have been set up in local governments, but their roles are more limited than those of the NPA.

17.2.3 *Introducing Scientific Personnel Management*

The new public service system was trying to introduce scientific personnel management and was focused on a job-classification system (whereby *positions* would be classified according to the complexity of duties and the degree of responsibility) as the basis for remunerations and appointments. This system intended to democratize and streamline public service by changing the standards of human resource management from *people* to *positions*.

However, the creation of a job-classification system failed prematurely. This was due not only to a lack of understanding of the system and opposition to the NPA, but also to the ambiguous division of duties in Japan's unique joint work system called "Obeyashugi (Large Room Principle)," which did not facilitate job analysis and evaluation. Upon giving up the job-classification system, the NPA has regarded the grades of the salary schedules as alternatives to the job-classification system (Ohnishi et al., 2015; Kawate, 2005). Since the classification of *positions* based on salary grades is overly broad, the relationship between *positions* and *people* has become ambiguous and prewar personnel practices based on *people* as a standard have continued. Consequently, a discrepancy arose between the legal system based on the unimplemented job-classification system and the practices of *people*-based management.

17.2.4 *Remunerations That Deviate from Job Duties*

The National Public Service Act requires the remunerations should be commensurate with duties and responsibilities—in other words, job-based remuneration. The NPA compares the remuneration of public employees with that of private employees and recommends a remuneration at the same level as that in the private sector. This public-private comparison is based on the principle of job-based remuneration, but in practice takes into account factors other than job duties, such as age, work location, and education background. This incomplete comparison as job-based remuneration fuels suspicion that the comparison favors public employees. For local public employees, the job-based remuneration leads to the *principle of balance between the national and local governments*, on the presupposition that the duties and responsibilities of both national and local public employees are similar. In Japan, because of the fusion of both national and local administrations, there is a correlation between the duties of the two, and personnel exchanges have often taken place (Mabuchi, 2020), so the principle of balance in remunerations has been accepted without much question. However, local public employees are ranked at the same or lower grade on the salary schedule than national public employees, even though their job titles are the same. A similar trend exists between prefectures and municipalities. While there are exceptions in several large cities, the salaries of public employees in prefectures tend to be higher than those in municipalities for the same position. The difference in salary grades for a given

position cannot be explained by the result of job evaluation but a reflection of the hierarchical relationships among the state, prefectures, and municipalities in terms of public administration (Nishimura, 1999).

17.2.5 *Appointments That Retain Prewar Personnel Practices*

As a result of failing to introduce a job-classification system, the job performance skills and qualifications required for each *position* were not specified, and it was not possible to strictly match *a person* to a *position*. Each ministry and agency continued to hire new graduates in batches and *people-based* management practices from the prewar period remained. Public employees have been required to acquire the skills and knowledge for various government positions through on-the-job training (OJT), so it has been emphasized in the recruitment process whether or not a candidate has the potential capability of adapting to any *position*. The Faculty of Law, the University of Tokyo, which had churned out many high-ranking *officials of the Emperor* during the prewar years, persisted as a key part of school clique.

Discriminatory prewar personnel practices also stayed. One is the entrance-sorting system whereby those who pass the most difficult recruitment examination are called *career* and are treated as executive trainees by the Minister's Secretariat of each ministry and agency. The distinction between *career* and *non-career* appointments is not based on legislation, but on a practice. *Career* officials have experienced numerous positions over a one- to two-year cycle including study-abroad programs and secondment to international organizations and local governments, so as to be excellent generalists. They would start off from non-managerial positions but would be promoted very quickly as the express group, thanks to a special measure that reduced the number of years required for promotion to 80% for "those whose work performance was exceptionally favorable" (Hayakawa, 1997; Kawate, 2005). This was possible because the personnel evaluation system was practically non-functional at the time. *Career* officials hired in the same year would be promoted side by side up to the division director in the ministry. Since the number of posts thereafter is limited, those who could not be promoted end up retiring early, which is known as *up or out* practice (Inatsugu, 1996). While retirees eventually were offered advisory or executive positions in private and semipublic corporations by their ministry or agency, *career* officials work hard from a young age to win the career race given that positions offered after retirement were better according to their

success as public employees. On the other hand, although there were differences among ministries and agencies, many *non-career* officials are recruited in the regions and stay in a single post for a relatively long period of time to become specialists in their fields. While human resource management for *non-career* officials has also been seniority based on the year of employment, their promotion was slower and was limited to the level of division director in the ministry no matter how excellent they were. While many *non-career* officials work until the mandatory retirement age, some of them were given good positions in private or semipublic corporations after retirement, although the conditions for these positions were not so good compared with those for *career* officials. Some competent *non-career* officials had a strong sense of unfairness in the entrance-sorting system, and this system was criticized as a practice that dragged down the prewar status system.

The disparity in promotions between administrative and technical officials was another problem left over from before the war (Mabuchi, 2020; Nishio, 2018). Administrative officials were recruited through examination in the categories of law, public administration, and economics, while technical officials were recruited through technical examinations, mainly in the sciences. The human resource management of technical officials was subject to prewar practices different from administrative officials. Despite significant differences among ministries and agencies, technical officials were transferred within a narrow range where they could harness their expertise as specialists and the bureaus to which they belonged played a key role in their management. With some exceptions, many technical officials had fewer opportunities for promotions due to the limited number of positions available in their areas of expertise, so the pace of promotions was slower than for administrative officials. Legalism has been dominant in the public sector and generalists consisting of administrative officials were better off in terms of promotions.

17.2.6 A Merit Principle with Ambiguous Relation to Positions

The National Public Services Act stipulates a merit principle for efficiency, and remunerations and promotions should be arranged by the results of personnel evaluations. However, personnel evaluations did not work for many years practically because there was strong opposition to the personality-related evaluation criteria which were not directly related to duties. Thus, bonuses (diligence allowance amounts), which were meant

to reflect the results of personnel evaluations, came to be paid uniformly to all and special salary raises for high-performing public employees were rolled out in turn. The salary increase curve was upward sloping so that the salary would be raised regularly every year without any major breaks.

Promotions were based on neither competitive examinations nor personnel evaluations. Rather, they were selected on comprehensive semi-informal evaluations of work experience, performance, relationships with politicians and their superior, and other factors through seniority-based comparisons with peers. In career development through OJT, the post and workplace to be assigned are important, but since there was no open recruitment system, public employees could not choose them by themselves. Informal evaluations that affect their careers left a lot of room for discretion, so subordinates often followed the instructions of their superiors who were both educators and evaluators, even outside of work hours. Such a hierarchical relationship came to be a breeding ground for long working hours and harassment.

17.2.7 *Local Public Service System and the Human Resource Management in the Postwar Era*

The Local Public Service Act was established in 1950 and includes the same principles as the National Public Service Act, while considering differences in size. Although each local government has enacted its own ordinances and regulations under the Act, differences among local governments are relatively small. Since the Act came into effect, the local public service system has been modernized. Recruitment examinations have gradually taken root in local governments, and salaries and other working conditions have been systematized in line with those of the national public service under the *principle of balance*. While there is criticism that the principle of balance infringes on local autonomy, the principle has guaranteed working conditions of local public employees to a certain extent throughout the country.

Just as was the case with the national public service, job-classification systems were not implemented, which meant that *position*-based management never came to fruition. Entrance-sorting between *career* and *non-career* officials was not done in local governments, and human resource management was more seniority based than the national government. New graduates were recruited in batches and examinations for

promotions were not conducted except for Tokyo Metropolitan Government and a few local governments (Hayashi, 2020). Seniority-based salary increases regardless of promotions, called *Watari*, were practiced in many local governments.

In local governments where the unions¹ are active, determination of work conditions has been heavily influenced by collective bargaining despite being prohibited by the Act. This is due, in part, to the absence of personnel committees which issue remuneration recommendations in many local governments. Sometimes inappropriate allowances and higher salaries than the national public service were reported in the media, but there is not much freedom to ignore *the principle of balance* and the guidance of the Ministry of Home Affairs (now the Ministry of Internal Affairs and Communications) that requires compliance with the principle.

17.3 RE-INTRODUCING *DUTIES*-BASED STANDARDS THROUGH THE PUBLIC SERVICE REFORM

17.3.1 *Movement for the Public Service Reform*

Since the 1990s, the public service reform had been discussed in accordance with the reorganization of the national government which was implemented in 2001. Both the declining trust in national public employees by a series of scandals and the restructuring of the public service system suitable for political leadership were major challenges.

To dispel public distrust, the National Public Service Ethics Act was enacted in 1999 to prohibit national public employees from accepting money, goods, and other hospitality from interested parties. This did not, however, restore trust.

There were deep-seated doubts about the ability of public employees to handle the diversified and highly specialized public administration, and seniority-based management in the public sector was criticized in contrast to performance-based management in the private sector.

Relations with politics also reached a turning point. *Career* officials, as the nation's elite, had a strong sense of mission that they would not hesitate to confront politicians for the sake of the public interest until the 1960s, while in the 1970s, they played the role of coordinating interests together with politicians in the long-running Liberal Democratic Party administration (Mabuchi, 2020). When the non-LDP coalition government came to

power in 1993, it began to be thought that the relationship between politicians and public officials should be reviewed to make in-depth reforms beyond the vested interest relationships between politics, government, and big business.

This led to calls to establish a political leadership by the Prime Minister's Office, and to the reform of the public service suitable for political leadership (Nishio, 2018).

17.3.2 *Shift to Ability and Performance Management*

The report by the Public Service Study Committee in March 1999 was the starting point for the reform of the national public service. While this report was not well-received, it set forth a direction for reform—openness, diversity, flexibility, transparency, and an emphasis on ability and performance. In particular, the shift from seniority to ability and performance was highly valued, and a new personnel evaluation system was introduced in 2009 as a fundamental personnel criterion to replace the job-classification system. The new system comprises competency evaluation and performance evaluation, both of which are directly tied to *duties* rather than the *people*. The results of evaluations are utilized for promotion, remuneration, transfer, training, demotion, dismissal, etc. regardless of seniority and types of recruitment examinations, which prompted a review of *people*-based personnel practices.

Competency evaluation is conducted once a year across six grades for the rank-and-file, three grades for a director-general, and two grades for an administrative vice-minister. Performance evaluation is assessed every half year across five grades for the rank-and-file, three grades for a director-general, and two grades for an administrative vice-minister.

The new evaluation criteria are more rational and acceptable than the old informal ones, but are not developed from the detailed analysis of *positions* and *duties*. Residual ambiguity associated with *positions* and *duties* leaves room for *people*-based personnel practices to seep into evaluations of ability and performance.

17.3.3 *Revision of Remuneration System*

Total personnel cost reform was carried out over a five-year period beginning in 2006 as a pillar of expenditure and revenue reforms for fiscal soundness. It aimed to realize a “simple and streamlined government” and

“competitive government” by reducing the numbers of national and local public employees and revising remuneration systems. Concerning the remuneration systems, the salary structure has been revised in accordance with duties and responsibilities. Both salary increases and bonuses have been re-institutionalized to increase or decrease based on the results of personnel evaluations. Substantial remuneration gaps among public employees have widened by the utilization of personnel evaluations. In addition, the overall salary level was lowered by an average of 4.8% and differences in regional allowances were widened to better reflect differences in private-sector salaries by region. The maximum regional allowance is now 20% for the public employees in twenty-three wards of Tokyo. The scale of private enterprises subject to public-private comparison was also changed from 100 or more employees to 50 or more by the NPA Recommendations in 2006, which had the effect of curbing the salary rise in public sector.

As public-private comparison is made on incomplete job-based remuneration, it is easier to concede to public criticism.

17.3.4 *Changes in Promotions and Career Development*

The introduction of a new personnel evaluation also gave rise to significant changes in promotion. Now promotion is made as a result of personnel evaluation and has no direct tie to recruitment year or recruitment examination. The relationship between personnel evaluation and promotion is as shown in Fig. 17.1. The new promotion system has increased the number of *non-career* officials who become division directors and above, and in turn, has created *career* officials that can't even become division directors. In 2012, the recruitment examination types were revised. The examination for graduate students and the examination for experienced personnel in the private sector were established. This revision aimed to attract a broad range of highly specialized individuals with an eye on *career* system reform.

With the revision of the National Public Service Act, the Fostering Courses for Executive Candidates was introduced, which effectively abolished the *career* system with entrance-sorting. The candidates for the Fostering Course are selected at any time from those who have had work experience for a certain period after initial appointments (about 3–10 years), according to their wishes and personnel evaluation regardless of the recruitment examination types. They undergo various training courses

Utilization for Promotion			
An appointer can promote an appropriate employee among those whose results of personnel evaluation (competency evaluation and performance evaluation) satisfy each condition in the following government position levels.			
	<input type="radio"/> Promotion to the position below Director level at HQ	<input type="radio"/> Promotion to Director level at HQ	<input type="radio"/> Promotion to Deputy Director level at HQ or above
Competency Evaluation	{ Results of two most recent evaluations } One Superior or above	{ Results of two most recent evaluations } One Excellent or above	{ Results of two most recent evaluations (in random order) } One Excellent or above One Superior or above
Performance Evaluation	{ Results of four most recent evaluations } One Superior or above	{ Results of four most recent evaluations } One Superior or above	{ Results of four most recent evaluations } One Excellent or above

* Those with evaluations of *Slightly unsatisfactory* or *Unsatisfactory* cannot be promoted.

Fig. 17.1 The relationship between personnel evaluation and promotion. Source: National Personnel Authority, “8. Personnel management based on competence and performance: Utilizing personnel evaluations,” *FY2022 Personnel Administration as Promoted by the National Personnel Authority—National Civil Service Profile*. https://www.jinji.go.jp/eng/publications/2022profile/8_Personnel_Management_based_on_Ability_and_Performance.pdf

and positions to become excellent executives with a broad perspective. As the Fostering Course has got on track, the discriminatory personnel practices have gradually been obsolete. Nevertheless, challenges remain. Though the Fostering Course is not as clear a path to executive positions as the career system, it is not attractive enough for young officials. In recent years, there have been some officials who wish to develop their own careers, but it is difficult to conduct open recruitment and to provide effective career development programs other than OJT without specific definitions of *duties* and *positions*.

17.3.5 Centralized Management of Executive Officials

The public service system in Japan is based on the merit principle up to the position of an administrative vice-minister. While not entirely free from the influence of politicians, human resource management was autonomous under the principle of political neutrality, even from the minister who has the power to appoint, much less from the Prime Minister’s Office.²

However, the principle of political neutrality was shaken by the 2014 amendment to the National Public Service Act mentioned above, which

introduced centralized management of executive officials and established the Cabinet Bureau of Personnel Affairs as its administrative organization (Shimada, 2022). The centralized management of executive officials was intended to accommodate political leadership and to correct sectionalism among ministries, and it dramatically increased the influence of the Prime Minister's Office. The Chief Cabinet Secretary plays a key role in screening the candidates for executive positions who are recommended by ministers based on personnel evaluations and consulting with the Prime Minister and ministers on the appointments and dismissal of executive officials. As the standards for screening as predicated on broadly defined *positions* and *duties* are abstract,³ the human resource management of executive officials came to have a strong political flavor reflecting the wishes of the Prime Minister's Office. In fact, during Abe's long-term administration, executive officials were criticized for trying to please the Prime Minister's Office.

17.3.6 *Changes to Reemployment Regulations*

Amakudari (literally “descent from heaven”—in other words, “golden parachute”) is the practice whereby the national and local governments take care of reemployment for retiring public employees and is typical of *people*-based management. It has been received in different ways (Mabuchi, 2020; Hayakawa, 1997). For public employees, it is a guarantee of income after retirement, a deferred payment of not-so-high public service salaries, and a reward for success as a public employee. It has also been seen as a contribution to society after retirement from public service and a positive thing for an organization to promote metabolism. For the corporations that accept retired public employees, it is believed the connections with government offices are beneficial to their business. For the public, it is perceived as unfair for former public employees to receive large salaries and retirement allowances after reemploying multiple times, and it is felt that *Amakudari* has the potential to become a hotbed of public-private collusion and a waste of tax money. Successive governments have tried many times to redress *Amakudari* in vain because it was rooted in early retirement practice of *career* officials.

In 2007, the National Public Service Act was revised to change reemployment rules. Pre-approval by the NPA, which was necessary for reemployment within two years after retirement in an enterprise closely related to duties within the five years prior to retirement, was abolished. The new rule has made it possible for a public employee to be reemployed in an interested enterprise soon after retirement. On the other hand, reemployed former public employees are generally prohibited for two years

from lobbying their home ministries on matters they were responsible for during the five years prior to retirement, and are prohibited for life from lobbying for contracts, etc., that they decided on and that pertain to their new employer. Moreover, former senior officials were required to notify the Cabinet of their reemployment for two years after retirement, and this information would be made public by the Cabinet.

The Center for Personnel Interchanges between the Government and Private Entities was set up in 2008 to support reemployment on behalf of the ministries and agencies that are prohibited from taking care of reemployment. The Democratic Party of Japan administration (2009–2012), which opposed *Amakudari*, did not allow the Center to provide direct reemployment support with a few exceptions, but after the Liberal Democratic Party came back to power, the Center has resumed reemployment support using a private support company since 2013 and has also been collecting and providing information on job openings in the private sector and public employees seeking reemployment since 2019. The Reemployment Surveillance Commission, which checks for compliance with reemployment rules, has been fully operational since 2012 and has uncovered several cases of non-compliance to date. The new rules have made it easier for public employees to relocate to enterprises but have eliminated the systematic reemployment support by ministries and agencies which is a part of the *people-based* management.

17.3.7 *Performance Management in the Local Public Service*

Local public service also faced a shift from seniority to ability and performance management. The background of the shift was the decentralization in the 1990s that necessitated capable human resources for local governments to become autonomous, and the impasse of the seniority-based promotion caused by the baby boom generation, which caused a shortage of management positions and increased personnel expenses.

Under the New Local Administrative Reform Guidelines by the Ministry of Internal Affairs and Communications, local governments compiled and disclosed intensive reform plans to review their administrative operations including salary structure reform and the reduction of public employees from 2005 to 2009. Many local governments endeavored to lower salary levels in line with local companies rather than the national government, to revise the salary increase curve to diminish the seniority factor. Some local governments even cut salaries on their own. The reduction of employees was done by mass retirement of the baby boom generation and restraint on recruitment.

[Number of organizations surveyed: Prefectures (47), designated cities (20), municipalities (1,721); 1,788 in total]

	Salary raise		Bonus		Promotion		Demotion and Dismissal
	Management	General staff	Management	General staff	Management	General staff	
Prefectures	47 (100.0%)	47 (100.0%)	47 (100.0%)	47 (100.0%)	47 (100.0%)	47 (100.0%)	47 (93.6%)
Designated cities	20 (100.0%)	20 (100.0%)	20 (100.0%)	20 (100.0%)	18 ^{※1} (90.0%)	20 (100.0%)	18 ^{※2} (90.0%)
Municipalities	1,201 (69.8%)	1,157 (67.2%)	1,332 (77.4%)	1,240 (72.1%)	1,292 (75.1%)	1,280 (74.4%)	1,018 (59.2%)
Total	1,268 (70.9%)	1,224 (68.5%)	1,399 (78.2%)	1,307 (73.1%)	1,357 (75.9%)	1,347 (75.3%)	1,083 (60.6%)

*1 Kawasaki city, Kyoto city

*2 Sendai city, Kawasaki city

Fig. 17.2 Utilization of personnel evaluations in local governments (2022). Source: Ministry of Internal Affairs and Communications, “Key findings of a survey on the utilization of personnel evaluation results,” as of April 1, 2022. https://www.soumu.go.jp/main_content/000853149.pdf

A new personnel evaluation system was formally introduced with the April 2016 revision of the Local Public Service Act. The result of evaluation now needs to be utilized for personnel development, salaries, promotion, demotion, reallocation, etc. As shown in Fig. 17.2, the utilization of personnel evaluation is more advanced in prefectures and designated cities than in municipalities where there is not enough trust in personnel evaluation. The same revision also included, for the first time, reemployment regulations for local public employees, but the regulations are not as strict as those for national public employees.

17.4 RESIDUAL ISSUES: CONFLICTS AMONG *DUTIES*, *POSITIONS*, AND *PEOPLE*

17.4.1 *Challenges for the Public Service in a “Society Where All 100 Million People Play Active Roles”*

In 2015, Prime Minister Shinzo Abe set forth the goal of becoming a “society where all 100 million people play active roles” for the second stage of Abenomics. This policy is aimed at halting the declining population and labor shortages associated with a low birthrate and an aging

society to realize a vibrant society. Both the public and private sectors are required to review the existing human resource management such as long working hours, non-regular employment (Chap. 11), the promotion of women, and the rise of mandatory retirement age.

17.4.2 *Reducing Long Working Hours*

Long working hours in public service have been an old and serious problem. The causes are various and complicated: response to the Diet and assemblies, response to disasters and emergencies, increasing and changing policies, manpower shortages, old view of labor, delayed digitalization, etc. To improve this problem, the NPA rules set the overtime limit at 45 hours per month and 360 hours per year. However, the limit for departments with a high proportion of heteronomous work is 100 hours per month and 720 hours per year, and the head of each ministry or agency may order public employees responding to major disasters or performing highly important or urgent work to exceed the limit. In recent years, public employees who continue to work exceptional overtime due to COVID-19 and disasters have lost their work-life balance, damaging their physical and mental health. The fundamental solution of this problem would be to clarify the scope of the *duties* of each *position* and more accurately calculate the number of public employees and working hours required for the *duties*.

Long working hours not only give rise to health problems, as epitomized by death from overwork (Karoushi) but also inhibit efforts to improve productivity. They also make it difficult for women to play an active role into society and accelerate the declining birthrate. Unless effective measures are taken, young public employees will increasingly leave the government.

17.4.3 *Promoting Women*

Even after the Equal Employment Opportunity Act was enacted in 1985, the social participation of women in Japan has not advanced as much as it has in other countries. The strong gender role consciousness that women should ideally resign and stay at home after marriage and childbirth, and the reluctance to have women as executives or executive candidates were barriers to women in *people*-based management. Women, too, sought to avoid long working hours, transfers, and a male-dominated workplace culture and were not motivated to cultivate their own careers.

To improve this situation, the Act on the Promotion of Women's Active Engagement in Professional Life was enacted in 2015 and required that

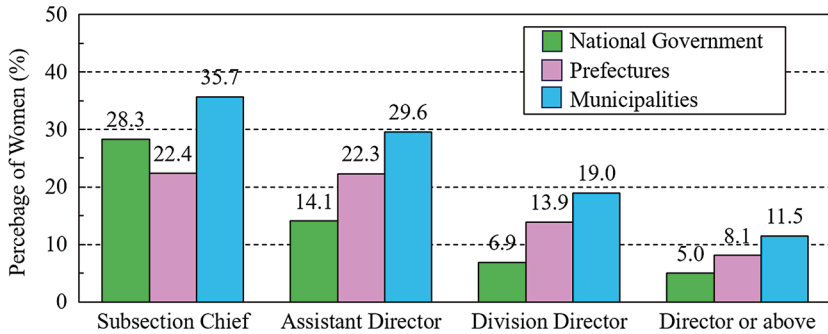


Fig. 17.3 Percentage of Woman at Various Levels of Public Service. Source: Produced by the author from Figs. 1–7, 1–9, and 1–10 in *The White Paper on Gender Equality 2023*, published by Gender Equality Bureau, Cabinet Office. https://www.gender.go.jp/about_danjo/whitepaper/r05/zentai/pdf/r05_genjo.pdf

public and private employers must assess the status of women’s active participation, analyze issues, set numerical targets, and formulate and disclose action plans. The Prime Minister’s Office took the initiative in selecting women as administrative vice-ministers and bureau chiefs, and local governments began to encourage female employees to take promotion examinations. For women to continue working, workplace reforms have been promoted and gender role consciousness has gradually been removed, for example, by encouraging both men and women to take childcare leave.

Now approximately 40% of national and local public employees are women.⁴ As shown in Fig. 17.3, the number of female public employees in managerial positions has barely reached the target of 30% as set by the Council for Gender Equality for 2020. It is important to correct unfairness in human resource management for women, but if active promotion of women leads to preferential treatment that ignores their ability and performance, it may create new unfairness. To make sure everyone agrees with the promotion of women, it is necessary to clarify the ability and performance associated with *positions* and *duties* and to evaluate them fairly.

17.4.4 Raising the Mandatory Retirement Age

Beginning in 2023, mandatory retirement age for public employees will be progressively raised from 60 to 65 years over an eight-year period. As the pensionable age was raised, the retirement age had to be raised to compensate for income. While most of the reemployments so far have

been short-time works for supplementary duties, the raise of mandatory retirement age can fully utilize the abilities and experiences of public employees over 60 on a full-time basis, thereby encouraging employment of the elderly to realize a 100-million-people active society.

However, the raise of retirement age is subject to the following conditions: step-down from managerial to non-managerial positions at age 60, and 70% of their annual remuneration before age 60. Although these conditions can't be explained from the perspective of ability and performance for each *position* or *duties*, they are unavoidably imposed to balance the private sector's trend of lowering salaries through reemployment. Both the public and private sectors still have seniority-based personnel practices, so the raise of retirement age could cause a shortage of managerial posts and an increase in personnel expenses. Raising the mandatory retirement age under certain conditions shows the conflict of *people*-based seniority management and *position*-based management.

17.5 CONCLUSION: DECLINING POPULARITY OF PUBLIC SERVICE

The postwar public service system was legislated as *position*-based management, but the actual operation has been *people*-based management because of the failure to implement a job-classification system. Since the 1990s, the public service reform has been considered with the aim of shifting from seniority practices to ability and performance management, and a new personnel evaluation system was introduced as a standard for human resource management in place of the job-classification system. Even with the introduction of a personnel evaluation system, the *duties* of each *position* have not been clearly analyzed. Then the ambiguity that remains in *positions* and *duties* makes it difficult to determine the appropriate number of employees and working conditions such as salary levels, which in turn makes them susceptible to political influence. It has led not only to the deterioration of working conditions for public employees, but also to an underestimation of the role of public administration, which is based on professionalism and political neutrality.

Although public service has been a popular profession in Japan in the past, in recent years both the national and the local governments have struggled to secure talented human resources, especially those with expertise in science and engineering. National public service is no longer a popular profession even among students at the University of Tokyo, an

academic clique. An increasing number of young public employees are losing hope and leaving for the private sector due to old-fashioned hierarchical relationships in the workplace, a sense of stagnation caused by political leadership, unattractive working conditions, harsh criticism from the public, and passive career development with no internal job openings.

These various problems may be caused by a half-hearted mixture of *people*-based management and *position*-based management, and a lack of direction in human resource management, even for public employees.

To improve this situation and make public service an attractive profession, it is necessary to clearly define *duties* for each *position* (Nishio, 2018; Shimada, 2022), and then reexamine the relationship between *positions* and *people* in the human resource management.

NOTES

1. They are employee organizations under the Public Service Act (both national and local) and not labor unions which can enter into labor agreements.
2. The Cabinet personnel review meetings that had been held since 1997 examined appointments for those at the director-general level and above prior to Cabinet approval.
3. Article 61-2(6) of the National Public Service Act stipulates that provisions of Cabinet Orders pertaining to screening and the executive candidates list are to be prescribed after hearing the opinions of the National Personnel Authority.
4. According to the “White Paper on Gender Equality 2022” as released by the Cabinet Office’s Gender Equality Bureau, women accounted for 37.0% of the national public examinations in 2021, 38.5% in prefectures, and 43.2% in ordinance-designated cities (in 2020).

https://www.gender.go.jp/about_danjo/whitepaper/r04/zentai/html/honpen/b1_s01_03.html

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Control and Evaluation

Kiyoshi Yamaya

18.1 INTRODUCTION

This chapter explains the way that Japan's public administration is using evaluation for control and indicates the four tasks of evaluation for accountability.

First, the tasks for control in Japan shall be clarified. The United States' study of public administration considers control mainly in the perspectives of "holding governmental bureaucracies accountable" and external parties. However, it is different in Japan. Administrative bureaucrats have been influenced by the management reform of NPM (New Public Management) movements, and have included self-control, not only external control from the legislative body. In addition, although there are two control methods that include procedural controls and substantive controls, Japanese students and researchers, and administrative practitioners rarely distinguish between the two. Further, deliberation of prior control has increased because it is used in budgeting compilation, and control after the fact and ex-post evaluation are weak. One of the causes of this is that, in Japan, the meaning and content of accountability have not been confirmed for the true nature of control.

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Therefore, the second that will be explained here is how Japan's society and Japan's public administration have considered that accountability and what means of control has been reached. Looking back, in Japan at the end of the twentieth century, the governance system had become outdated, and various reforms were tried in order to reform that old governance system. Japanese government thought that the cause lied in government structure, and it conducted structural reform, but that keyword was accountability. However, the idea of NPM was also incorporated in addition to the deliberation of traditional control. In Japan's public administration, various means of control became stratified.

The third task of this chapter is to discuss the true nature of Japanese public administration at this period. As NPM is oriented toward result-based management, Japanese public administration incorporated a result-based thinking, but also has been keeping a traditional orientation toward administrative procedures. A mentality oriented toward old procedure-oriented accountability has made result-oriented evaluations difficult. In the old traditions of Japanese bureaucracy, any results were accepted in most cases as long as there were no procedural mistakes. But result-oriented evaluations (outcome evaluations) have replaced procedure-oriented checks.

The fourth task is evaluation. The Japanese government has adopted evaluations to make public administration accountable. Of course, there was and is a deep relationship between accountability and evaluation in governments, but the success or failure of evaluation as control is determined by which values the government considers important among accountabilities, and by the type of evaluation method the government orders at the time. Concerning this point, it is possible to explain the types of tasks that the Japanese government's evaluation system has by considering the evaluation theory that has been shared internationally.

18.2 ADMINISTRATIVE CONTROL IN JAPAN

First, the characteristics of Japan's administrative control and the four ideas that led to those characteristics shall be explained.

The first characteristic is the idea of expanding the functions of control. Students and researchers of public administration in Japan thought that a function of putting the brakes on the abuse of executive powers and "stopping" them were important, and they were based on the perspective of the "rule of law" which has been traditionally observed since the

modernization period of Japan (the Weber Model). After that, the “acceleration,” or a function of promoting activities was added. Along with a nationwide Comprehensive Development Plan in the 1960s’ era of economic growth, the Japanese government placed importance on management for the purpose of efficiently promoting economic development policies. In the 1990s, public administration drew attention as a new function. It was a function of “the steering” to drive policy decisions to a targeted direction (Osborne & Gaebler, 1993, p. 34), and a steering function was added to control functions, in addition to stopping and acceleration.

Skillfully conducting full use of these three functions is the purpose of current management, and therefore, for management control, it became important to skillfully conduct full use of stopping, acceleration, and steering to accomplish policy objectives.

The Japanese government has used controls in different ways, depending on the types of policies. In the re-evaluation of infrastructure projects of public works, such as construction of dams and roads, stopping or termination functions have been used. In regional development policies, for example, policies to support small- and medium-sized enterprises, and policies for international official development assistance, acceleration functions have been used. In the twenty-first century, in addition to stop and acceleration functions, steering functions have been considered important, and for that purpose policy evaluation has been adopted. But Japan’s public administration has explained steering function as PDCA (Plan Do Check Action: old Japanese management jargon). The “check” of that PDCA means evaluation, but it is really used as a process check.

The second characteristic and idea to change control tools and measures. The types of controls that stop and correct administrative corruption and misconduct in the public sector are audits and inspections. Ex-post evaluation and summative evaluation are forms of stopping (a brake) function in government. Legality, regularity, and compliance are traditional audit measures, and effectiveness was newly added. On the other hand, ex-ante evaluations use in judgment for adopting new projects are called analysis, assessment, and formative evaluation in the Japanese government. Their tools are cost-effectiveness analysis and cost-benefit analysis, and efficiency criteria are used for performance appraisals. Monitoring the implementation process in policies and projects is interim evaluation, and it is also sometimes called process evaluation. Government officials have used measurements as monitoring methods. In Japanese society, which has valued collaboration in situations of policy

implementation by an organization, bottom-up agreements have been considered important, but because of the influence of NPM, performance measurement and goal attainment from a top-down perspective have been adopted. They have been called a Key Performance Indicator (KPI).

The third idea changed the way to use controls, and here are two approaches for looking at controls. One is the approach of making form procedures for administrative activities subject to control, and the other is approaching the substance of policy content (Gruber, 1987, p. 13). Those are the two things for which Gilbert made a call for attention in the past by using the phrase “distinguishing between procedural and substantive values” when explaining due process, which is one of the twelve values that comprise responsibility (Gilbert, 1959, p. 377). When one wants to control procedures, measures such as lawfulness, conformity with laws and regulations, due process, and compliance are suitable for looking at form, procedures, and processes. Controls of the substance of policies place emphasis on an approaching policy content, and effectiveness is measured in the senses of whether there is an outcome or there is an effect. These changes of what social values are changed what should be emphasized when choosing measures.

After those changes, a fourth idea of control arose. It was a change of method from audit and inspection to evaluation. Audit and inspection looking at procedures and processes are also important in a democratic society, but evaluations that emphasize results or outcomes have become more important. The background factor was the change of the values of accountabilities that the government presents to citizens. Conducting procedural compliances alone cannot be called accountability. In the Japanese government, there came the change of the ways of responding to citizens who seek results and effectiveness of policies. In 2001, the Japanese government’s reform of central ministries and agencies changed the name and function of “the Administrative Inspection Bureau” of the MCA (the Management and Coordination Agency) to “the Administrative Evaluation Bureau” of the MIAC (Ministry of Internal Affairs and Communications).

The change in emphasis on control is associated with the fact that the Japanese government had begun to pay more attention and understanding to the term “accountability.”

18.3 FROM ACCOUNTABILITY TO “ACCOUNTABILITIES”

Accountability is a concept related to control of public administration and an aggregation of several values. However, the accountability concept is not something familiar in Japanese society, and Japanese people who do not use English cannot understand it. Because of that, changing it to the noun’s plural form “accountabilities” makes it easier to understand. Among the words explaining accountabilities, various values are considered important (expansion of control), and the fact that effectiveness and results newly drew attention led to the adoption of evaluation and changed the control concept.

In Japan, the study of public administration has been influenced by the United States’ study of public administration, and external control theories were researched, but Japanese study of public administration has studied a method of controlling responsibility by using its internal administrative management. These studies have been combined to make theories of administrative responsibilities, and studying both accountability and responsibility has become a Japanese standard of public administration. However, the Japanese language does not have words that are equivalent to accountability and responsibility, and the closest word for both of them is “*Seinin*”; therefore, the words accountability and responsibility did not become commonly used in actual situations of politics and public administration. There was a long road to travel before the Japanese government would reach accountability theory, both in practice and in theory, and that long road was divided into three stages.

The first stage was from the 1960s until the 1970s, and it was a time in which Japan’s scholars of public administration at that time followed the United States’ history of the study of public administration while clarifying various important concepts and sorting out ways of administrative responsibility. Representative examples were the controversial debates between C.J. Friedrich and H. Finer about administrative responsibilities, citizen participation, functional responsibilities, and control techniques of governmental organizations (executive departments, the administrative branch, and the legislative branch). At that time, Japan’s researchers of the study of public administration already understood the difference between responsibility and accountability (Muramatsu, 1964, p. 59), but that understanding remained at the level of the theoretical history of the study of public administration. Japanese society did not have a specific plan for how to use the accountability concepts.

Change came in the second stage in the 1980s. Japan's scholars of public administration paid attention to the United States' reforms of Congress that started in the 1970s and the trends of the United States' study of public administration for government reform (Smith, 1971; Mosher, 1979). For that reason, Bernard Rosen's *Holding Government Bureaucracies Accountable* (1982), for example, was well known even in Japan, it became a catalyst for Japan's scholars of public administration to become aware that control from the outside ensures accountability. Through that awareness, Japan's scholars of public administration began to analyze the accountability concept and pursue a direction of accountabilities based on their respective meanings. That made it possible to conduct deliberation of accountability that differed from the study of administrative law and constitutional law for which Japan's study of public administration had left the effects of the "Rechtsstaat" of German legal study. The things that researchers of the study of public administration used for reference were the policy sciences and studies of public policy that had started to become popular in Japanese society at that time. As a result, research that paid attention to the change from fiscal accountability to program accountability also appeared, and pursuit of program accountability based on international practical activities that were centered on official development assistance (ODA) began.

Concerning this program accountability, an image such as the following had already appeared in accountability research in the United Kingdom and the United States in the 1970s. That image was an awareness that, "traditional fiscal accountability is important, but program accountability is more important, so we must endeavor to evaluate policy effectiveness. However, programs that are subject to that evaluation are technically difficult, and therefore, process accountability is considered the next-best option" (Smith, 1971). For that, there has been awareness that the government's control is indispensable procurements of accountability, but legal control for procedures alone is insufficient, and control for policy content is also important. This is result-oriented accountability. Evaluation to measure the performance of processes or process evaluation to check the procedures of processes was a type of accountability to place an emphasis on formality, but that was nothing more than the next-best option. At that time, this notion has been started being understood, but program evaluation was premature and did not spread throughout Japanese society.

However, in the 1990s, administrative reform became a political agenda, and when accountability emerged again in those circumstances,

the new tide began. That was the third stage. In particular, the Administrative Reform Council (1996–1997), for which Prime Minister Ryutaro Hashimoto served as chairperson, aimed to reform the central government ministries and agencies, took thorough responsibility for providing explanations to the citizens, undertook improvement of policy evaluation functions, and led deliberation about accountability.

But, in Japan there was no word that corresponded to accountability, and therefore, the Japanese government used the phrase “responsibility for explanation” (*Setsumei Sekinin*), public administrators interpreted that phrase as “obligations to account and explain” and “answerability,” and wrote this into laws:

- The Basic Act on Central Government Reform (1998): “Strive to improve transparency of administrative operation, and carry out the responsibility to explain the government’s activities to the citizens”; “responsibility to provide explanations to the citizens.”
- The Act on Access to Information Held by Administrative Organs (1999): “Achieve accountability of the government to the citizens for its various activities.”
- The Act on Access to Information Held by Incorporated Administrative Agencies (2001): “Achieve responsibility to explain incorporated administrative agencies’ activities to the citizens.”
- The Government Policy Evaluations Act (2001): “The purpose is to ... and ensure that the government’s responsibility to remain accountable to the people for its activities is being properly discharged.”
- The Basic Act on Reform of National Public Service System (2008): “Establish a system for bearing responsibility to provide explanations to the citizens.”

After that, public administrators understood accountability as self-efforts to explain, and accountability became the administrators’ own efforts. Japan’s study of public administration set theories of administrative responsibilities as one of the pillars of that research and made efforts to make the distinction between accountability and responsibility more widely understood, but public servants did not necessarily clearly understand that difference and they did not feel the need to understand it. Japanese usually speak and write both accountability and responsibility as

“sekinin.” In this situation, here has come the new idea of control from NPM.

18.4 NEW PUBLIC MANAGEMENT

At the end of the twentieth century, the Japanese government developed various reforms. In doing so, the government referred to NPM trends in other countries and added new accountability concepts (underlined are the effects of NPM):

- fiscal accountability: control of accounting and budget procedures
- administrative accountability: controlling administrative activity processes
- managerial accountability: efficiency, economy, and effectiveness
- outcome accountability

However, the Japanese government did not simply introduce NPM theory without any changes. As stated below, there were changes in accordance with Japan’s public administration culture:

- (1) The evaluation system learning from NPM regard evaluations with numbers and figures, but the system is difficult to search for causes of bad outcomes. Accordingly, it is not learning for the purpose of improving policy content (content/substance), and it is only useful for control of resources (personnel and budget).
- (2) Not only efficiency and economy but also effectiveness was added to measures at the time of measuring performances. As a result, indicators for performance measurement used the outcome too, and therefore, on-site officials had difficulties differentiating between output and outcome.
- (3) Some administrative organizations were hived off as incorporated administrative agencies, but bureaucratic control was strongly left, and therefore, the free discretion of incorporated administrative agencies was narrowed down, and a lot of time was required for procedure checks and compliance checks.
- (4) Opportunities for private-sector companies to participate in the provision of public services have increased, and the competition principle was introduced into public administration by competing tenders. But it became a cost-cutting competition.

- (5) In Japan, management styles of the private sector were introduced, but in administrative organizations and incorporated administrative agencies have not produced the expected results. The budget and funds that were provided to public offices have continually diminished, and the only thing that increased was the routine works related to accountability.
- (6) Order and discipline in resource allocation became slack because of major disasters, handling of the COVID-19 crisis, and hosting of the Tokyo Olympics.

NPM is a management tool only for ordinary times, and it was a tool that could not be used in emergency situations. On-site public servants (officials of ministries and agencies, incorporated administrative agencies, national universities, national research institutes, national medical institutions, local government hospitals, and local governments) have only understood “evaluations” as cost-cutting tools. For that reason, evaluation came to be used as a means of spending control, without sorting out the various types and differences of accountability. The people in charge of evaluation work became confused, and that confusion created more tasks. It was “overload accountability.” Confusion and overload brought about “evaluation fatigue,” which is famous in Japanese society.

18.5 EVALUATION

In 2001, the Japanese government thought about the importance of evaluation as part of the administrative reforms promoted the evaluation systems (Table 18.1), and established the Government Policy Evaluation Act. It introduced three forms of evaluation as specific methods of evaluation. They are project evaluation, comprehensive evaluation, and performance measurement (Japanese government calls performance measurement as “performance evaluation”).

However, in Japan, evaluation did not suddenly appear in the public sector. Three prototypes existed, and they have formed current policy evaluation.

As for the first prototype, Japanese government used ex-ante evaluation under the name of policy analysis in the period from the 1960s until the 1970s, when the Policy Sciences were popular in Japan. At that time, methods used in economics and system engineering were used in project analysis. The second prototype was evaluation research, and it used social

Table 18.1 History of the introduction of policy evaluation in Japan

1997	December	Final report of Administrative Reform Council (Gyosei Kaikaku Kaigi) submitted to Hashimoto government
2001	January	Policy Evaluation System introduced by Mori government
2001	June	Government policy evaluation bill approved by the national Diet under Koizumi government
2001	December	Koizumi Cabinet approved the Basic Policy on Policy Evaluation
2002	April	The Government Policy Evaluation Act enforced (Law no. 86 of 2001)
2005	December	The Basic Policy on Policy Evaluation revised
2007	October	Ex-Ante Evaluation on Regulations introduced
2010	May	Policy Evaluation for the Special Measures Concerning Taxation introduced
2015	April	Policy Evaluation Council established

Source: Ministry of Internal Affairs and Communications (2017). *Seisaku Hyoka Q & A (Q & A for policy evaluation)*; Nishino et al. (2023)

welfare programs in the period from the 1970s until the 1980s. Researchers and practitioners have paid attention to program evaluation in the United States and Canada and studied methods of evaluating human service programs such as welfare, education, medicine, and maintenance of public security. That was because they intended to use the knowledge obtained by evaluating welfare activities and education programs in their respective fields of specialization. The evaluation and research methods were social sciences methods such as sociology, statistics, psychology, and anthropology. When the Japanese government established a policy evaluation system, program evaluation was used as comprehensive evaluation.

Next to appear was performance measurement. The Japanese government learned from the UK's NPM theory, the experiences and practices in Australia and New Zealand that used the UK's NPM theory, and the methods of the Government Performance and Results Act of the United States (GPRA 1993). In policy evaluation in Japan, performance measurement is included as "performance evaluation."

Thus, inclusion of evaluation methods from various eras is what formed "policy evaluation" in Japan, and Japan's policy evaluation is not a single method under the name of a policy evaluation. In other words, the policy evaluation is one type of tool kits. The MIAC discussed the purposes of introducing that kind of tool kits type of policy evaluation. Those purposes consist of the following three things: (1) thoroughly taking responsibility for explaining public administration to the citizens, (2) bringing

about efficient and high-quality public administration, and (3) placing importance on the results of public administration activities.

The Japanese government created a system of conducting policy evaluation based on laws (Fig. 18.1). The parties evaluating policies are the sections of each ministry that creates and implements policies. So, policy evaluations in Japan are internal self-evaluations. In other words, although the Japanese government says that policy evaluation is for the purpose of ensuring accountability, each ministry recognizes evaluation as tools of ensuring self-responsibility.

According to what MIAC officially announced in 2002, the initial number of incidents of policy evaluation (2002) was 10,930. However, the MIAC and ministries have changed a policy of choosing and evaluating important policies, reduced the number of policies to be evaluated, and about twenty years later in 2021 there were 2227 incidents of policy evaluation that were conducted (the Ministry of Internal Affairs and Communications, June 3, 2022). In addition, although the basis of evaluation is ex-post evaluation, ex-ante evaluation is also conducted, and in

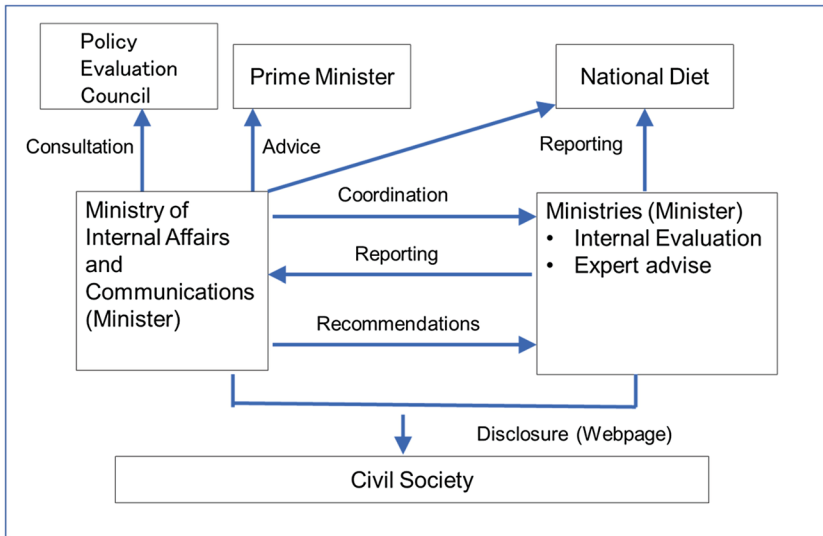


Fig. 18.1 Flow of government policy evaluation in Japan. Source: Ministry of Internal Affairs and Communications (2017). Seisaku Hyoka Q&A (Q&A for policy evaluation), and Nishino (2023)

2021 the number of incidents of ex-ante evaluation was 838 and the number of incidents of ex-post evaluation was 1389.

Using various methods together under the single name of policy evaluation is the characteristic of the Japanese government. For policy evaluation, program evaluation has been used many times as comprehensive evaluation in the decades since 2001, when policy evaluation was introduced. However, a lot of effort is required for collection and analysis of data, and the generalist administrators of each ministry have little specialized knowledge and skill regarding socio-scientific data collection and analysis; therefore, it is difficult for them to conduct evidence-based policy evaluation themselves. As a result, the number of incidents of program evaluation has declined, and since 2012, use of performance measurement as a “Management-by-Objectives type of policy evaluation” instead of program evaluation has been expanding. The reasons that are because there are three merits: (1) the method is simple, (2) so even many generalist administrators can use it easily even if they do not have special training, and (3) generalist administrators can use performance measurement for different policies in various special fields. In those way, performance measurement (“performance evaluation”) came to be used as the standard evaluation method.

In Japan, the government uses various evaluation systems other than policy evaluation. Those systems include incorporated administrative agency evaluation, PFI (Private Finance Initiative) and PPP (Public Private Partnership) evaluation, ODA (Official Development Assistance) evaluation, evaluations of research and development policies and science and technology policies, and evaluation of environmental effects. All of those evaluation systems were influenced by the perspective of NPM and use many evaluation methods such as measurement, monitoring, and rating. Those evaluations are sometimes called pseudo-evaluations or quasi-evaluations (Stufflebeam, 2001). They differ from the program evaluation that was the prototype of evaluation. The reasons for that difference are that the needs to use evaluation for various purposes arose in various situations, and responding to those needs were made. As a result, the pseudo-evaluations and quasi-evaluations that were confused put pressure on ordinary administrative work and daily management activities in policy implementation settings. And it was not possible to sort evaluations out.

Because of that, the Japan Evaluation Society (JES) was established in 2000, and JES has thought of cultivating people who would be able to flourish in situations in which such evaluations sorted out confusion. In

association with that, let's once again think about what the evaluation is as considered by JES. The answer to that question is the same as the definition in the *Encyclopedia of Evaluation*:

[A]n applied inquiry process for collecting and synthesizing evidence that culminates in conclusion about the states of affairs, value, merit, worth, significance, or quality of a program, product, person, policy, proposal, or plan. (Mathison, 2004, pp. 139–140)

On the premise of that definition of evaluation, JES differentiated between evaluation and pseudo- and quasi-evaluation, sorted them out, and is continuing to conduct activities to cause evaluation literacy to take root in society. Unfortunately, however, concerning the relationship between evaluation and accountability, in Japan as well a problem is occurring exactly as stated in concerns by the *Encyclopedia of Evaluation*:

Although accountability is frequently given as a rationale for doing evaluation, there is considerable variation in who is required to answer to whom, concerning what, through what means, and with what consequences. More important, within this range of options, the ways in which evaluation is used for accountability are frequently so poorly conceived and executed that they are likely to be dysfunctional for programs and organizations. (Mathison, 2004, p. 2)

Undoubtedly, when observing Japan's evaluation settings, we discover some instances of the dysfunction that the *Encyclopedia of Evaluation* pointed out. The causes of that are the mismatch between accountability and evaluation. There are three reasons why that mismatch is generated.

The first reason is the mismatch that is generated from the confusion of the accountability concepts and their related systems. The Japanese government made efforts to systemize various methods for ensuring accountability. Representatives of those efforts are the establishment of the House of Councilors' and the House of Representatives' Administration Oversight Committee (1998), establishment of an information disclosure system (1999), the start of an incorporated administrative agency evaluation system (1999), and the introduction of a policy evaluation system (2001). As evaluators and auditors in Japanese government have not theoretically and practically sorted out relationships of accountability concepts,

Japanese citizens have become lost in who should pursue which form of accountability (“lost in accountabilities”).

The second cause of the mismatch is the discrepancies between accountability mechanisms and control tools. Various values are included in accountabilities, and therefore, it is necessary to confirm what types of values be pursued. Without confirmation, evaluation makes “overload accountability” (Halachmi, 2014). In Japan, evaluators make many useless reports with so much cost, and citizens and media do not care about it.

The third mismatch starts from ignoring historical background. Central ministries and agencies refer to evaluation as writing numbers in goal management sheets, based on performance measurement, and they also write logic from input to outcome on those sheets. Then they usually use those evaluation sheets as materials for requesting the next year’s budget. However, in 1980s, evaluation was not a budget request tool, but a reflection on past policies. Evaluation research and public administration studies have conducted various deliberations to avoid those kinds of budget request practices, but such deliberations have only been forgotten now.

In the world of evaluation in Japan, accountability has shifted from the twentieth century’s lack of accountability to the twenty-first century’s overload accountability, and “evaluation exhaustion” arise.

NPM is also related to that overload accountability of the twenty-first century. That is because, in addition to old-type audits, procedure checks, and process monitoring, NPM has required other types of result-oriented monitoring checks. And the traditional evaluations and audits that have been conducted thus far may continue to use excessive accountability demands for the departments where evaluations arise. Although it is a time for rethinking about the efficiency of evaluation, the answers as to what is unnecessary and what should remain are not clear.

18.6 CONCLUSION

Evaluation in Japan was ranked low internationally in a 2001 survey, and it was the lowest of the 22 countries that were subject to the survey (Furubo & Sandahl, *International Atlas of Evaluation* 2002, pp. 6–12). The criteria of the survey ranked Japan lowest are below.

- I. Evaluation takes place in many policy domains
- II. Supply of domestic evaluators in different disciplines
- III. National discourse concerning evaluations

- IV. Professional organizations
- V. Degree of institutionalization—government
- VI. Degree of institutionalization—Parliament
- VII. Pluralism of institutions or evaluators performing evaluations within each policy domain
- VIII. Evaluation within the Supreme Audit Institution
- IX. Proportion of outcome evaluations in relation to output and process evaluations

The criteria for which the Japanese government obtained points in 2002 were only I, IV, and V (underlined), but looking at the Japanese government's initiatives thus far, they have improved them. Despite that fact, several problems have remained, as stated below.

Concerning II, various disciplines are conducting evaluation, but those disciplines are not mutually collaborating in that evaluation, and therefore, administrative organizations are separately conducting many different types of evaluation. Concerning III, both citizens and the Diet have become aware of the importance of evaluation, but they don't actively utilize evaluation results. Concerning VI, the Diet does not conduct evaluation itself. Concerning VII, multiple organizations in charge of evaluation and audits exist in each policy domain, but there is no cooperation or adjustment in each of them. Concerning IX, the Japanese government decided to actively conduct outcome evaluation, but it has not allocated sufficient budgets and staff to evaluation activities. In addition, it is difficult for people in government who are not evaluation experts to conduct the outcome evaluation.

Evaluation theory has deliberated that using evaluation to control public administration will ensure accountability for the citizens. The final conclusions are that the important works for ensuring accountability are elimination of the excess accountabilities, and this would conquer the overload of evaluation.

The Policy Evaluation Council that was established in the MIAC, which coordinates the overall system for policy evaluations, announced improvement policies that consider evaluation in the post-COVID era (March 2021 Policy Evaluation Council). The content of those policies consists of the following three points. They are (1) useful evaluation: an evaluation process that eliminates overlapping of work and is useful for policy improvement, (2) flexible evaluation: flexible selection of optimal evaluation methods in accordance with policies' characteristics and improvement

objectives, and (3) satisfactory evaluation: promoting EBPM (Evidence Based Policy Making), placing value on data, promoting collaboration with researchers, and improving the quality of evaluation. Neither policy improvement, the flexible selection of optimal evaluation methods, nor the improvement of the quality of evaluation through collaboration with researchers cannot be forced by external parties (e.g. the Diet). Accordingly, in the Japanese government, evaluations and controls have characteristics of self-learning for the purposes of self-evaluation and self-control.

Thus, evaluations in Japan are not the pursuit of accountability, but are tools for administrative organizations to aim for the realization of responsibility by themselves.

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Crisis Management

Masakatsu Okamoto

19.1 CHARACTERISTICS OF THE JAPANESE GOVERNMENT'S CRISIS MANAGEMENT

19.1.1 *The First Change in Half a Century*

The basis of Japan's current political and administrative system was created when the nation made a fresh start after losing World War II in 1945. The new Constitution, which came into force in 1947, established the Diet, the Cabinet system, the organization of central government, the local government system, and the division of roles between the central and local governments. Over the next half-century, social and economic development led to a significant increase in central and local administrative branches and the volume of activities (laws, budgets, personnel), but the framework remained largely unchanged.

In the 1990s, Japanese public administration reached a major turning point. One of these was the stagnation of Japanese society after years of economic development, to which administrative reforms, such as the reorganization of ministries and agencies, were implemented (see Chaps. 2 and 9). The other was a series of major crises, to which crisis management

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was strengthened. These two reforms were meant to transform Japan's politics, which until then had been led by bureaucracy, to one led by Prime Minister-centric political leadership.

19.1.2 *A Half-Century of Calm and Then Rapid Change*

In the second half of the twentieth century, Japan achieved economic development that was described as phenomenal. One of the hidden conditions of this was that Japan was not hit by any major crisis, either inside or outside the country. Domestically, there were often typhoon and earthquake disasters, but the country recovered each time. Internationally, Japan is an island nation, and although there was the threat from the Soviet Union, the US military was stationed in Japan under the US-Japan Security Treaty, and China and North Korea were not a threat to Japan. Security was good, and it was described as, "Japanese people believe that they can get safety and water for free."

Because of such a peaceful environment and the public's rejection of the military due to their war experience, crisis management was not considered to be an important administrative issue. There was even a tendency to avoid discussing crisis management in political debate and the press. Crisis management theory did not become a major field of study in academics either.

Such calm was broken by a series of national and international crises in the 1990s.

Within Japan, the Great Hanshin-Awaji Earthquake occurred in 1995, causing unprecedented damage, as well as a terrorist attack in Tokyo by the Omu Shinrikyo cult using highly poisonous sarin gas; in 2011, the Great East Japan Earthquake, which was said to be a "once-in-1000-years" disaster, washed away towns along the Pacific coast of the Tohoku region. The massive tsunami caused a core meltdown at the TEPCO's Fukushima Daiichi Nuclear Power Plant, resulting in a horrendous accident on par with the Chernobyl accident. In addition, there have been many unprecedented heavy rainfall disasters in various regions, possibly due to global warming.

Outside Japan, North Korea had conducted repeated ballistic missile and nuclear tests since 1993. China's military has rapidly become a formidable force, underpinned by economic development. Its air and naval force have repeatedly approached Japan's airspace and territorial waters, and it has conducted large-scale military exercises around Taiwan. East

Asia's security, which has continued since the end of the war, has rapidly deteriorated.

COVID-19, which spread from China to the rest of the world in 2019, caused significant damage and social disruption in Japan. Cyberattacks have also intensified, with neighbouring Russia attacking Ukraine in 2022.

19.1.3 *Rediscovering Crisis Management Administration*

These series of crises, including a number of large-scale natural disasters, heightened international tensions, and new infectious diseases outbreaks, exposed the insufficiency of the Japanese government's crisis management. Each time, the government and the people gained experience, enhanced their crisis response structures and advanced their operations. It is fair to say that the government has awakened to crisis management administration.

The organization and functioning of crisis management can be divided into two categories: central and field. In the field, different types of crises require different organizations to respond to them, as well as local organizations that face the residents. On-the-ground organizations include the Self-Defence Forces, Coast Guard, the police, fire brigade, and local governments, and in addition to these, the role of business and non-profit organizations is increasingly recognized.

On the other hand, serious crises cannot be handled by the respective responsible organizations or regional organizations alone, and must be directed by the central government. From this we can point to another major change in Japanese public administration. That is to change the principle of divided management among the ministries (the principle that the Cabinet's affairs are shared and managed by the ministries), which has been in place since the constitution was first enacted at the end of the nineteenth century, so that the Prime Minister (and the Cabinet Secretariat, which supports him), previously positioned as a coordinating body, now has overall control over crisis management. This is in the same direction aimed at strengthening the leadership of the Prime Minister in the central ministry reforms implemented since 2001.

In addition to the several crises discussed here, there have been economic crises; two oil crises in 1973 and 1979, the collapse of the bubble economy in 1991, the financial crisis in 1998 and the international financial crisis in 2008. Each of these crises caused significant damage to the Japanese economy, but the public and the private sectors have been able

to overcome them through their efforts. This is beyond the scope of this chapter and therefore not dealt with in this chapter.

19.2 GOVERNMENT CRISIS MANAGEMENT MECHANISMS

This section describes the organization and system of crisis management in Japan.

19.2.1 *Classifications of Crises*

The crises addressed by the Cabinet Secretariat, a direct assistant to the Prime Minister, are classified according to their nature as shown in Fig. 19.1. These are recognized as national crises, which are broadly divided into the following five categories:

- (a) Armed attack situations
- (b) Large-scale natural disasters
- (c) Serious accidents (nuclear accidents, transport accidents, etc.)

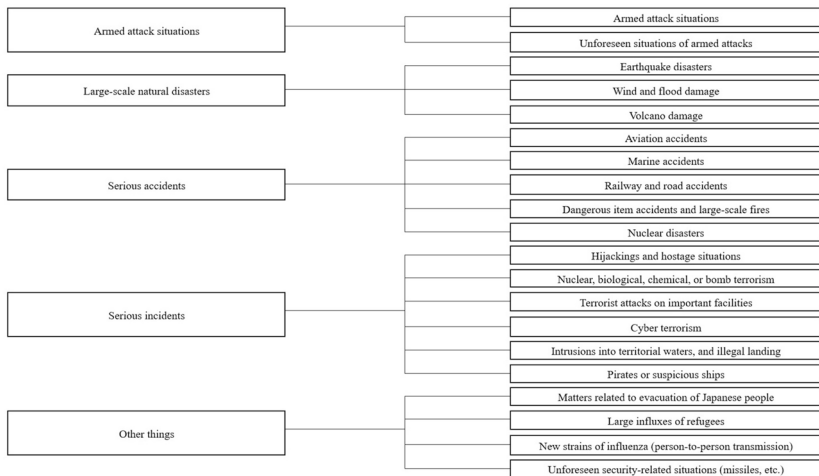


Fig. 19.1 Main classifications of emergency situations. (Source: The Cabinet Secretariat’s homepage)

- (d) Serious incidents (hijacking, cyber-terrorism, intrusion into territorial waters, piracy, etc.)
- (e) Other (evacuation of Japanese abroad, mass influx of displaced persons, new influenza, missile launches in neighbouring countries)

19.2.2 Organization of the Cabinet Secretariat

An overview of the Cabinet Secretariat's crisis management organization is provided in Fig. 19.2.

One of the three Assistant Chief Cabinet Secretaries is in charge of contingency and crisis management. The response to armed attack

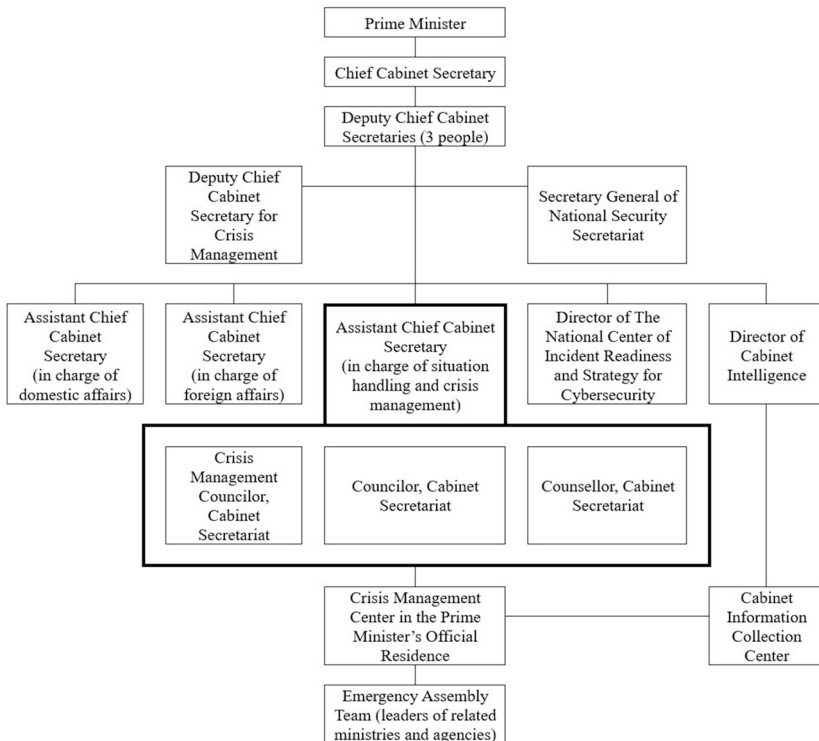


Fig. 19.2 The Cabinet Secretariat's Crisis Management Organization. (Source: Processing of the Cabinet Secretariat's homepage)

situations and predicted armed attack situations is referred to as contingency planning. Staff members are assigned under the Assistant Chief Cabinet Secretaries, and they are in charge of five crises mentioned above. A Crisis Management Centre of the Prime Minister's Office is located in the basement of the Prime Minister's office, where staff are prepared for emergencies on a 24-hour basis. In addition, the National Centre of Incident Readiness and Strategy for Cybersecurity is responsible for cybersecurity (Oba, 2020).

Many of the positions and organizations shown here were set up in recent years. Organizations have been enhanced whenever a crisis is encountered:

- 1996: Crisis Management Centre in the Prime Minister's Official Residence
- 1996: Cabinet Information Collection Centre
- 1998: Deputy Chief Cabinet Secretary for Crisis Management
- 2014: National Security Secretariat
- 2014: Director General for Nuclear Disaster Management
- 2015: The National Centre of Incident Readiness and Strategy for Cybersecurity

19.2.3 *Operation*

Crisis management consists of proactive measures (risk management) and crisis management in the event of an outbreak (crisis management). This section provides an overview of crisis management.

The Cabinet Information Collection Centre constantly collects information on emergencies and immediately informs the crisis management centres when an emergency situation arises. The Deputy Chief Cabinet Secretary for Crisis Management (who oversees crisis management except national defence matters) decides on the initial response measures. Senior officials of the relevant ministries and agencies gather at the Prime Minister's Office to take initial action. The assembled officials are called emergency team and are designated for each type of emergency. For large-scale natural disasters (e.g. an earthquake of a certain magnitude), it is decided for the team to gather without waiting for instructions by the Deputy Chief Cabinet Secretary for Crisis Management.

A meeting of the task force, headed by the Prime Minister, is then held to decide on the actions to be taken by the Government and instructions are given to the relevant departments (Ito, 2014).

19.2.4 *Local Governments*

In Japan, which has a local system of interfusion, local governments (two tiers of municipalities, which are basic local governments, and prefectures, which are regional local governments) have jurisdiction over many affairs and play a major role (see Chap. 3). This is also true for crisis management.

In natural disasters, the mayor of the municipality is responsible for the response. If the municipalities are unable to take on this responsibility, the prefectures and then the central government support the municipalities. In the event of an armed attack, the national government sets the main policy, and under this policy, the municipalities are in charge of many things that affect the residents, such as evacuation guidance (Takeda, 2020). The Self-Defence Forces and Japan Coast Guard are national organizations, while the police and fire brigade are local government organizations. Health centres are the first line of government in the fight against infectious diseases, and they are also local government organizations.

Crisis management structures and capacities have been strengthened in local governments as well. Similar to Deputy Chief Cabinet Secretary for Crisis Management of the central government, many local governments have a Crisis Management Supervisor as a close associate of the governor or mayor of the local governments, with a well-developed secretariat.

Cooperation among local governments have also been strengthened. When a major disaster occurs in a certain area, not only neighbouring municipalities, but also municipalities from all over Japan, come to the aid of the affected area. The police and fire brigade of each local governments are dispatched under the direction or at the request of the national governing body (the National Police Agency and the Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications (MIC)), respectively. General local officials will also be dispatched from unaffected local governments to the affected local government based on support agreements between the local governments or through the coordination of the MIC.

19.2.5 *Private-Sector Organizations*

The roles of companies and non-profit organizations has also been expanded. In the past, local governments, the central government, and related organizations designated by the central government (companies

operating in the public interest, such as electricity, gas, transport, and telecommunications) were responsible for disaster management. The importance of these private sector organizations and the need for collaboration was recognized during the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake, when businesses, volunteer activities and non-profit organizations played significant roles. Both central and local governments began to actively work with them. The Disaster Medical Assistance Team (DMAT) that is dispatched in times of large-scale disasters also started to be regularly used.

Companies' and citizens' preparedness and awareness are also important. This includes strengthening buildings and infrastructure in preparation for disasters, stockpiling supplies, and creating business continuity plans. They must also act appropriately when a disaster strikes. These are also strengthened by awareness-raising and guidance from central and local governments, as well as by the experience of businesses and the public.

19.3 SPECIAL CIRCUMSTANCES IN JAPAN I: MAJOR NATURAL DISASTERS

Three features of crisis management in Japan are discussed in this section: major natural disasters, security, and new infectious disease outbreaks. First, the response to frequent large-scale natural disasters will be discussed. Due to its geographic location, Japan is the most struck by natural disasters among developed countries. It can be divided into windstorms and earthquakes.

19.3.1 *Major Wind and Flood Damage*

Located in the Asian monsoon zone, Japan is warm and humid and is also subject to regular typhoons and heavy rainfalls. Throughout recorded history, people living on the Japanese archipelago have coexisted with these typhoons and torrential rains. Disaster relief used to be the role of municipalities, but as the damage increased with urbanization and technological capabilities improved on the other hand, the government was required to take action.

In 1947, the Disaster Relief Act was enacted, which stipulated that in the event of a major disaster, the prefectures, instead of the municipalities, would take the lead in providing emergency relief according to the

standards set by the government. For approximately ten years after the end of World War II, major damage caused by typhoons continued. In particular, Isewan Typhoon in 1959 caused a total of 5,098 deaths or missing persons, 350,000 affected households, and more than 1.6 million people affected, leading to the enactment of the Basic Act on Disaster Management in 1961. Although various relevant laws had existed, this law established comprehensive measures, the roles of the government, prefectures and municipalities, and financial measures. Based on this framework, disaster management measures have since been strengthened and support for disaster victims has been improved. Among Japan's crisis management measures, ones against wind and flood disasters were among the earliest to be established.

In recent years, torrential rainfall has become more frequent. Unprecedented amounts of rain have fallen in a specific area for long periods of time, causing flooding and landslide disasters. The effects of global warming have been raised as a cause, and more precise forecasts and early evacuation of residents are being carried out.

19.3.2 *Large-Scale Earthquakes*

Geologically, Japan is located where two continental plates, the Eurasian Plate and the North American Plate, meet two oceanic plates, the Pacific Plate and the Philippine Sea Plate. The oceanic plate is then subducted into the continental plate, which causes frequent earthquakes as well as many volcanoes. Japan has 0.3% of the world's land area, but 20% of earthquakes of magnitude 6 or greater occur in Japan.

Although earthquakes have caused major damage in the past, after World War II no earthquake has occurred with more than 1000 deaths since the Nankai Earthquake (1946; 1443 dead and or missing) and the Fukui Earthquake (1948; 3769 dead or missing).

However, in 1995 the Great Hanshin-Awaji Earthquake occurred, destroying the city centre of Kobe, a major metropolis, and leaving 6437 people dead or missing. The fact that it occurred in an area where it was believed that a large earthquake would not occur, that large fires occurred, that reinforced concrete buildings and highways collapsed, and that many lives were lost shocked the government and the public. Along with this, the government's poor response was pointed out. The government was slow to assess the damage and the Self-Defence Forces were also late

mobilizing. The damage was so extensive that firefighters and police were unable to carry out adequate rescue operations (Nakamura, 2000).

In reflection a Crisis Management Centre was established in the Prime Minister's Office, and a Deputy Chief Cabinet Secretary for Crisis Management was appointed. The equipment of the police and fire brigade was also enhanced, and training was upgraded.

In 2011, the Great East Japan Earthquake occurred (see Chap. 20). With a magnitude of 9.0, it was the largest earthquake in recorded history around Japan, and is said to be a once-in-1000-years occurrence. Along with the earthquake, a tsunami of more than 10 meters was triggered, washing away towns along the Pacific coast of the Tohoku region. More than 20,000 people were killed or missing, some 470,000 people were evacuated, and 561 square kilometres were inundated. The tsunami hit TEPCO's Fukushima Daiichi Nuclear Power Plant, which lost power and was unable to cool its reactors, causing a core meltdown. A large number of radioactive substances was released into the atmosphere, resulting in a nuclear accident that was rated Level 7 on the International Nuclear and Radiological Event Scale, the worst level on the scale and comparable to the Chernobyl NPP accident.

For the earthquake and tsunami damage, the experience of the Great Hanshin-Awaji Earthquake was used to provide rapid relief. In addition, the Reconstruction Agency was newly established in the central government and reconstruction was conducted. However, for the nuclear accident, there was an assumption called the "safety myth" among those involved and they were not adequately prepared, and the cold shutdown of the reactors and the evacuation of the surrounding population were not carried out properly.

The Nuclear and Industrial Safety Agency, previously located in the Ministry of Economy, Trade and Industry was abolished as an organization responsible for monitoring nuclear power plants, and the Nuclear Regulation Authority and the Nuclear Regulation Department were newly established in the Ministry of the Environment to ensure safety through more stringent regulation. In addition, an officer in charge of nuclear disaster prevention and policy control was assigned to the Cabinet Office (Okamoto, 2016).

19.4 SPECIAL CIRCUMSTANCES IN JAPAN 2: SECURITY

The second feature of Japan's crisis management is security. Japan's special circumstances are that it renounced war in its 1947 Constitution, that neighbouring North Korea and China have increased their military power and repeating provocation, and that it does not have a collective security framework like the North Atlantic Treaty Organization (NATO) in Europe.

19.4.1 Renunciation of War, and the Changing Environment

The Constitution of Japan, which came into effect in 1947, renounces war and has no armed forces, "with a desire for lasting peace" and "trusting in the justice and faith of the peace-loving peoples of the world" (Preamble to the Constitution of Japan). Japan then chose to rely on the United States military through the US-Japan Security Treaty. The outbreak of the Korean War led to a shift to retain a self-defence force, but this was kept to a minimum. Despite the threat of the Soviet Union, both North Korea and China had small military forces at that time, and Japan enjoyed half a century of peace under the US military presence. The condition of being surrounded by the sea was also advantageous for defence.

The situation changed drastically in the 1990s. Globally, the Cold War ended in 1989 and peace seemed to have been achieved, but the weight of the Soviet Union was lifted and the international situation instead became more fluid: the Iraqi invasion of Kuwait in 1990, the Gulf War in 1991 and armed conflicts in various regions have continued since. In 2001, the simultaneous terrorist attacks in the United States also made the "fight against terrorism" an issue. Warfare has intensified not only on land, sea, air and space, but also in cyberspace, and the distinction between peacetime and wartime, and between military and civilian life, has become unclear. Economic security has also become an issue, with a spate of theft of technology and information.

In East Asia, North Korea has advanced its nuclear programme and ballistic missile programmes, while China, with its rapidly growing economy, has also made its posture of challenging the international order clear. The superiority of being separated by the sea has also become smaller. The dominant position of US military in East Asia was lost, and Japan was forced to change its previous defence strategy. Japan also began to move forward with preparations for legislation related to strengthening of defence capabilities, in case of armed situations.

19.4.2 *International Peace Operations*

The Gulf War in 1991 was the catalyst for a change in Japanese “pacifism.” In order to drive out Iraq, which had occupied Kuwait, various countries deployed allied forces. Japan did not take part in the war on the basis of its Peace Constitution, but instead provided a huge amount of financial aid. However, its dependence on the Gulf region for oil imports and its refusal to participate in efforts to end the illegal occupation was severely questioned by the international community as a free-rider of international peace.

This led to a shift away from ‘unilateral pacifism’ and towards participation in UN peacekeeping operations and other activities. Despite great political controversy, the Act on Cooperation with United Nations Peacekeeping Operations and Other Operations was established and they were engaged in UN peacekeeping operations in Cambodia from 1992.

In 2001, the simultaneous terrorist attacks in the United States triggered a war in Afghanistan between coalition forces led by the United States and the Taliban (Afghan War). In 2003, the Coalition of the Willing led by the United States invaded Iraq on the grounds that Iraq held weapons of mass destruction (Iraq War). Japan supported the United States as an ally and, although it did not directly participate in combat due to constitutional restrictions, it did participate in offshore refuelling operations in the Indian Ocean during the Afghan War and in humanitarian and reconstruction assistance operations and other activities after the war in Iraq was declared over. The Act on Special Measures Against Terrorism (2001) and the Act on Special Measures for Humanitarian and Reconstruction Support for Iraqis (2003) were enacted for those purposes, respectively.

19.4.3 *North Korean and Chinese Provocations*

Looking around Japan, the military build-up and armed provocations of North Korea and China pose a threat.

North Korea, increasingly isolated by the collapse of the Soviet Union, pursued its nuclear programme and ballistic missile programme: conducted missile launch tests into the Sea of Japan from 1993 onwards and missiles flew over the Japanese archipelago in 1998; declared its withdrawal from the Nuclear Non-proliferation Treaty in 1993 and announced in 2006 that it had conducted its first underground nuclear test.

Deepening its sense of crisis, Japan rapidly advanced its contingency preparations and in 1999 enacted the Act on Measures to Ensure the Peace and Security of Japan in Perilous Situations in Areas Surrounding Japan (currently the Act on Ensuring Safety in Situations that Have Serious Impacts), which stipulates the government's response in the event of a situation that has a serious impact on Japan's peace and security.

Meanwhile, in 1999, a vessel believed to be a spy ship of North Korea was found sailing in the Sea of Japan and was pursued by the Japan Coast Guard and Maritime Self-Defence Force. A maritime security operation involving the use of force including weapons was issued for the first time. In 2001, a suspicious vessel of unknown nationality sank in the waters southwest of Kyushu after a shootout with a Japan Coast Guard patrol vessel, which was recovered and found to be a North Korean agent ship.

In the twenty-first century, North Korea continued to develop nuclear and ballistic missile programmes, ignoring UN economic sanctions resolutions. China continued its economic growth and strengthening of military preparedness based on this. In that process, awareness about handling emergency situations made progress within Japan, and the Act on the Peace and Independence of Japan and Maintenance of the Nation and the People's Security in Armed Attack Situations and the Act Concerning the Measures for Protection of the People in Armed Attack Situations were established in 2003 and 2004 respectively, as legislation for emergency situations (legislation stipulating the responsibilities of the national and local governments in emergency situations such as cases of suffering an armed attack or invasion).

Since then, North Korea has continued to develop nuclear weapons and missiles, while China has repeatedly intruded into Japan's territorial waters around the Senkaku Islands. China has furthermore made its stance on challenging the international order clear. In response to these tensions in the surrounding area, Japan has developed the necessary structures for national security; in 2014, it newly established the National Security Secretariat, and in 2015 it enacted legislation for peace and security, a shift toward limited acceptance of the right to collective self-defence, which it had not previously recognized.

19.4.4 *Cyberattacks*

In recent years, a growing threat and damaging phenomenon is cyberattacks. Through internet servers, computers and other systems are being

destroyed, or data stolen and falsified. When such attacks are conducted between nations, this becomes cyber warfare. Not only cyber armies and intelligence agencies that have been organized by nations, but also sympathetic criminal groups, attacking hostile nations, corporations, and individuals. The targets of the attacks are not only military organizations, but also administrative organizations, companies, and infrastructure, which may cease to function.

Unlike conventional weapons of war, attacks are invisible and can be launched from anywhere in the world, at any time. Whether in government or in business, activities without the Internet are unthinkable, so they are always in great danger.

The government established the Office for Promotion of Measures for Information Security (currently the National Centre of Incident Readiness and Strategy for Cybersecurity) in the Cabinet Secretariat in 2000, to prevent cyberattacks and protect important infrastructure. In 2014, a Cyber Defence Command was formed in the Ministry of Defence and the Self-Defence Forces (currently the Self-Defence Forces Cyber Defence Unit), and in 2022 the Cyber Affairs Bureau was newly established in the National Police Agency.

19.5 SPREAD OF NEW INFECTIOUS DISEASES

Human history has also been a fight against infectious diseases (epidemics). Many people died from the diseases of plague, cholera, tuberculosis, and Spanish flu. In modern times, many infectious diseases have been conquered with the development of medicine and spread of hygiene. However, even in recent years, AIDS, Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS) have become epidemic, and the new coronavirus infection (COVID-19), which began in China in 2019, has spread worldwide since the beginning of 2020. Japan was less affected by SARS and MERS, but it was impossible to evade COVID-19.

In February 2020, an outbreak occurred on an international cruise ship that entered the Port of Yokohama. That situation and response were widely reported in the news, as the outbreak occurred on a large ship with more than 3,700 people on board and was the first outbreak within the area of Japan. COVID-19 also began to spread within Japan in parallel with that outbreak, and the government held an emergency situation ministerial meeting of the National Security Council. That was the first time such a meeting was held, including on security matters. The Office for the

Promotion of Measures Against COVID-19 and Other Infectious Diseases was established in the Cabinet Secretariat, and it handled measures. As in other countries, measures included the isolation of infected people, prevention of the spread of infection, vaccination, and support for employment and management. Characteristically, restrictions on behaviour, such as wearing masks and going out, were not imposed by law, but at the request of the government. In Japan, it is customary to wear masks when there is a cold or epidemic, and wearing masks was accepted by the population without resistance.

These measures and citizens' actions resulted in far fewer cases of infectious diseases in Japan than in other countries in the early years. However, in response to the outbreak of the Omicron variant from the summer of 2022, a large number of people were infected, partly because no restrictions were placed on behaviour.

In 2023, the Infectious Disease Crisis Management Agency was established in the Cabinet Secretariat.

19.6 JAPAN'S STRENGTHS AND CHALLENGES

19.6.1 *Citizens' Awareness and Actions*

Citizens' awareness and actions are also important elements of crisis management. Concerning this point, Japan has significant strengths.

When a catastrophe occurs, citizens act calmly and help each other. In many countries, riots and looting sometimes occur, but this has not occurred in Japan in recent years. Japan has strong social capital. In the time of COVID-19 as well, many citizens wore masks and participated in behavioural restrictions at the request of the government, without any laws and regulations. This can be seen as a sign of passive collectivism, of "worrying about how they look" and "conforming to the behaviour of the many." Although the news media often criticizes the government, the citizens still seem to trust the government and society (see Chap. 21).

Although current Constitution does not have an emergency clause (which partially suspends the Constitution in the event of emergency), the reality is that the citizens mostly follow reasonable requests by the government even if not compelled to do so by law or ordinance. The declaration of a state of emergency disaster as stipulated in the Basic Act on Disaster Management and the restriction of personal rights based on the Act Concerning the Measures for Protection of the People in Armed Attack

Situations have never been put into operation. In relation to the spread of COVID-19, the declaration of a state of emergency was stipulated in law, but in practice the government responded to epidemics by requesting the public to restrict their activities and businesses to restrict their operations (Mullins & Nakano, 2016).

19.6.2 *Expected and Unexpected Crises*

Future challenges should be mentioned. First, possible crisis will be discussed.

As for natural disasters, Japan has incurred wind and flood damage almost every year, and in recent years it has experienced major earthquakes and large tsunami. Preparation and awareness by the government, companies, and citizens have been strengthened.

The huge earthquakes that are currently predicted are the Nankai Trough Earthquake, an earthquake directly under the Tokyo area, and an earthquake around the Japan Trench and Kuril Islands Trench. The Nankai Trough Earthquake is a large-scale earthquake that has repeatedly occurred, with its epicentre at the plate boundary near the South coast of Honshu. An earthquake directly under the Tokyo area is a major earthquake that repeatedly occurs near Tokyo. An earthquake around the Japan Trench and Kuril Islands Trench is an earthquake that occurs in the off-shore area from Hokkaido to the Tohoku region. The government and local governments are strengthening preparations, but as these are expected to be huge earthquakes, it will be difficult to contain the damage just by preparing in advance.

In addition, although Japan has built up experiences concerning natural disasters and the spread of infectious diseases, it has no experience concerning armed attacks since 1945. Whether the government and the Self-Defence Forces, as well as local governments, business and citizens, will be able to act calmly and appropriately is unknown.

North Korea and China are strengthening their military power and repeating provocation, but East Asia does not have a collective security framework like the North Atlantic Treaty Organization. On the contrary, there is no joint defence mechanism between Japan, Taiwan and South Korea, and joint training is not possible.

As a new crisis, economic security is an issue. The impact of technology and data leaks on the advantages of Japanese corporations and on national security is significant, and cyberattacks against key infrastructure are also a

concern. There are also situations where products and materials essential for daily life may become unavailable. In 2020, an Economy Section was established in the National Security Secretariat, and in 2022 a bill for the promotion of economic security was enacted.

The next matter is about unexpected situations. We are living in an era of uncertainty, and the experiences of the last 30 years since the 1990s has made many Japanese people realize that “the only thing that can be said for certain is that nothing is certain.” There will be times in the future when things will happen that we cannot anticipate. Crises where we cannot assume what kind of crisis it will be are the “unexpected crises.”

However, in this 30-year period, Japan has experienced events where “unexpected crises have occurred, and under the guidance of the Prime Minister those crises have been dealt with through full mobilization of the strengths that Japan has, irrespective of whether they belong to the government or the private sector, and the citizens also supported them.” Even if unexpected crises occur in the future, I believe that the government, local governments, and the citizens will be able to deal with them appropriately.

19.7 CONCLUSION

Crisis management in Japan has been enhanced through a variety of crises to improve its responsiveness. Concerning natural disasters and the spread of new infectious diseases, Japan has overcome them without serious social disintegration or fragmentation. On the other hand, concerning armed attacks, although organizations and legislation have been enhanced, Japan has not yet experienced this even once, and if Japan suffers a full-fledged armed attack, it is unknown whether the government, local governments, and the citizens will be able to act appropriately.

However, the experience of unexpected crises and overcoming them will enable them to respond appropriately to future crises that may arise.

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The Great East Japan Earthquake and the Fukushima Nuclear Accident

Hiroaki Inatsugu

20.1 INTRODUCTION: JAPAN, AN EARTHQUAKE-PRONE COUNTRY

Japan is located along the Pacific Ring of Fire, which is a region with high levels of seismic and volcanic activity. Compared with its small land area (0.25% of the world), Japan has an extremely high rate of earthquake occurrence (18.5% of the world's total). This may be because Japan is located at the intersection of four plates, each of which moves slightly every year. Geographical, topographical, and climatic conditions make the country prone to natural disasters such as typhoons, torrential rains, and heavy snowfall.

Since 1900, Japan has experienced three major earthquakes: the Great Kanto Earthquake in 1923, the Great Hanshin-Awaji Earthquake in 1995, and the Great East Japan Earthquake in 2011.

In Sect. 20.2 briefly looks at the major earthquakes prior to the Great East Japan Earthquake and the subsequent efforts of administrative and

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other organisations. Section 20.3 examines the circumstances of the Great East Japan Earthquake, the government's response to it, and the actions of local governments. Section 20.4 examines the process of recovery and reconstruction after the Great East Japan Earthquake, and Sect. 20.5 provides conclusions, including the lessons learned.

20.2 BEFORE THE GREAT EAST JAPAN EARTHQUAKE

After the Meiji Restoration at the end of the 1860s, the population of the capital Tokyo increased rapidly, and the city, which had existed since early modern times, underwent major transformations. In the midst of these changes, the magnitude 7.9 Great Kanto Earthquake struck the Tokyo metropolitan area on 1 September 1923 killing more than 100,000 people and completely destroying or burning approximately 300,000 houses, as well as causing extensive damage to lifelines such as electricity, water, roads, and railroads. In the first three days after the disaster, the extent of the damage and the breakdown of communication made it difficult for anyone to grasp the full extent of the disaster, and there was confusion due to inadequate relief efforts and miscommunication. To rebuild the capital after such devastation, the Imperial Capital Reconstruction Plan was formulated under the leadership of GOTO Shinpei, a former mayor of Tokyo and Minister of the Interior. The plan entailed large-scale land readjustment and the development of parks and arterial roads. GOTO is considered responsible for a large part of Tokyo's current network of arterial roads.

For more than a decade after World War II, typhoons continued to cause severe damage in many parts of Japan. In particular, the typhoons that hit Japan in 1959 (Isewan Typhoon and Typhoon Vera) caused tremendous damage, leaving 5098 people dead or missing, and more than 1.6 million people affected. Isewan's path was predicted fairly accurately, and there was ample time to take adequate disaster countermeasures. However, the government's evacuation guidance and disaster prevention systems were inadequate, and residents were unaware of the typhoon, which resulted in a tremendous loss of life. Japan's disaster countermeasures were forced to fundamentally change, and the Basic Act on Disaster Management was enacted in 1961. This law clarified the responsibilities involved in disaster countermeasures, obligated central and local governments to prepare disaster prevention plans, and stipulated the establishment of a system to deal with extreme disasters, which remains the fundamental law for disaster countermeasures in Japan.

Natural disasters such as earthquakes and typhoons have continued to strike Japan. One of the most devastating disasters in the mid-1990s was the Great Hanshin-Awaji Earthquake, which occurred early in the morning on 17 January 1995. The massive earthquake, measuring 7.3 on the Richter scale with a maximum intensity of 7, struck the densely populated western Japan metropolis of Kobe City and other areas. The earthquake caused enormous damage, including 6434 deaths, 43,792 injuries, 104,000 houses totally destroyed, 1.3 million homes without water supply, 2.6 million outages, collapsed and fallen Shinkansen overpasses and other bridges, and collapsed highways.

The fact that the disaster was centred in Kobe, far from the capital Tokyo (430 km in a straight line), slowed down the response in Tokyo, the political and administrative centre of the country. The information communication and initial response system of the entire country, including the communication of information to the Prime Minister's Office, was delayed. The dispatch of the Self-Defence Forces (SDF) was not smooth. Information on confirmed damage could not be collected promptly. Requests for mutual support from local governments did not operate smoothly. Emergency transport routes could not be secured. Medical care in the affected areas was not necessarily adequately dispensed. Injured persons were not always transported aptly amidst the decline in medical functions in the affected areas.

Based on the lessons learned, relevant systems were strengthened by establishing a Crisis Management Centre at the Prime Minister's Office to enhance the information aggregation function. In addition, the police and fire departments were equipped with more equipment and sophisticated training, and a system was established for the police's Inter-Prefectural Emergency Rescue Units and the fire brigade's Emergency Firefighting Assistance Team, which are called in from all prefectures in the country in case of an emergency. In addition, an Emergency Medical Assistance Team (DMAT) system was established (Kohara & Inatsugu, 2015; Tsujinaka & Inatsugu, 2018).

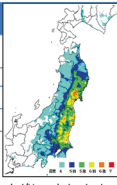
20.3 THE GREAT EAST JAPAN EARTHQUAKE AND ITS AFTERMATH

20.3.1 Overview of the Earthquake

The Great East Japan Earthquake occurred on 11 March 2011, 16 years after the Great Hanshin-Awaji Earthquake (Fig. 20.1). With a magnitude of 9.0, it was the largest earthquake ever recorded in Japan and the fourth-largest earthquake in the world since 1900. The accompanying tsunami, which was more than 10 m high when it reached the coast, travelled up rivers and other waterways, reaching local heights of up to 40 m, and swallowed towns along the Tohoku coast as far as 4–5 km inland in some places, covering an inundated area of 561 km². More than 22,000 people were killed or went missing, 120,000 homes were completely destroyed, and approximately 280,000 partially destroyed. Approximately 470,000 people were evacuated; 320,000 of these moved into temporary housing.

The damage caused by the earthquake and tsunami alone was enormous; however, the Great East Japan Earthquake also brought about a

I. Overview of the Great East Japan Earthquake

	Great East Japan Earthquake		(Reference) Great Hanshin-Awaji Earthquake
Date and time of occurrence	March 11, 2011, 14:46 JST		January 17, 1995, 5:46 JST
Magnitude	9.0		7.3
Type of earthquake	Subduction zone		Near field
Disaster-affected area	Agriculture, forestry and fisheries area		City center
Number of prefectures with a seismic intensity of 6-lower or greater	8 (Miyagi, Fukushima, Ibaraki, Tochigi, Iwate, Gunma, Saitama, Chiba) Seismic intensity 7: Northern Miyagi Prefecture Seismic intensity 6 upper : Southern/Central Miyagi Prefecture, Nakadori/Hamadori region in Fukushima Prefecture, Northern/Southern Ibaraki Prefecture, Northern/Southern Tochigi Prefecture		1 (Hyogo)
Tsunami	Large tsunamis observed at various areas (Max. wave height: Soma [9.3 m and higher], Miyako [8.5 m and higher], Ayukawa in Ishinomaki City [8.6 m and higher])		Reports of tsunami several tens of centimeters high, no damage
Characteristics of damage	Tsunamis caused extensive damage in coastal areas. Many areas were destroyed.		Buildings collapsed. Large-scale fires mainly in Nagata Ward.
Deaths & Missing	Deaths: 19,759 (including disaster-related deaths) (Iwate: 5,145, Miyagi: 10,568, Fukushima: 3,931) Missing: 2,553 (Iwate: 1,110, Miyagi: 1,215, Fukushima: 224)		Deaths: 6,434 Missing: 3
Housing damage (Completely destroyed)	122,006 (Iwate: 19,508, Miyagi: 83,005, Fukushima: 15,435)		104,906
Application of the Disaster Relief Act	241 municipalities (10 prefectures of Aomori, Iwate, Miyagi, Fukushima, Ibaraki, Tochigi, Chiba, Tokyo, Nagano and Niigata)		25 municipalities (2 prefectures of Osaka and Hyogo)
Multiple disasters	Accident at the Fukushima Daiichi Nuclear Power Station, TEPCO Area of evacuation order: 1,150km ² (August 2013(maximum)) Number of evacuees : 470,000 (just after the occurrence of the disaster)		—

Created based on the White Paper on Disaster Management FY 2021 and the summary report of the Extreme Disaster Management Headquarters (issued on March 8, 2022)

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Fig. 20.1 Overview of the Great East Japan Earthquake

different kind of unexpected disaster than that of a normal earthquake. The Fukushima Daiichi Nuclear Power Plant of the Tokyo Electric Power Company (TEPCO), which was hit by the tsunami, lost power and was unable to cool its nuclear reactors, causing their cores to melt. Copious amounts of radioactive materials were released into the atmosphere, resulting in a severe nuclear accident.

Thus, the Great East Japan Earthquake was a compounded combination of earthquake damage, tsunami damage, and damage from the nuclear power plant accident, resulting in an enormous disaster with long-term effects, not only in the affected areas but also throughout Japan. Earthquake preparedness has been implemented to a certain extent, and recovery and reconstruction work has been largely completed in the decade since. However, the nuclear disaster was unexpected, and the response was delayed due to a lack of sufficient knowledge. Thus, the effects of the nuclear disaster continue to persist.

20.3.2 *Disaster Occurrence and Initial Response*

The earthquake and tsunami destroyed homes, fields, fishing ports, roads, bridges, railroads, offices, factories, and administrative buildings, rendering many areas dysfunctional. In Minami Sanriku Town, Miyagi Prefecture, officials continued to call out over the disaster radio from the general disaster prevention office building near the coast, asking people to evacuate to higher ground. However, the tsunami, which exceeded 2 m the rooftops, struck the three-story building and killed more than 20 employees, including those who had called out. Some municipalities, such as Rikuzentakata City Hall, had their government buildings completely destroyed. The tsunami also took the lives of many civil servants and part-time firefighters on site who were responding to the earthquake and saving lives.

The earthquake caused severe damage not only in the three prefectures in the Tōhoku region—Iwate, Miyagi, and Fukushima—but also in ten other prefectures, including Ibaraki and Chiba. In the capital, more than 5 million people became ‘returning-home refugees’ (persons stranded due to mass transit disruptions after an earthquake) and had to spend the night in temporary evacuation centres or train stations in Tokyo due to the suspension of public transportation.

The tsunami in the coastal areas left land three hours later. Evacuation was immediately required, including transportation for the sick,

preparation of shelters, and restoration of lifelines. In particular, people trapped in collapsed houses had to be rescued within three days of the disaster or their lives would be in danger. Emergency Firefighting Assistance Teams from all over Japan rushed to the area by helicopter. At its peak (18 March), 1558 teams and 6099 firefighters were engaged in rescue activities. By the end of May, more than 27,000 teams and approximately 103,000 firefighters were engaged in support activities. In the first 12 days after the disaster, approximately 340 DMAT teams and 1500 medical staff from all over Japan were dispatched to various bases in the affected areas to treat the injured and sick. The police's Inter-Prefectural Emergency Rescue Units were also mobilised to the affected areas, with up to 4800 members per day engaged in rescue, evacuation, and search activities for disaster victims, as well as in autopsies, identification, transport of personnel and supplies, traffic control, and maintenance of public order.¹ Police officers and riot police from all prefectures in Japan were also mobilised, and by the end of May, 307,000 police personnel and 566 police helicopters were dispatched to the three affected prefectures. The SDF was also mobilised on a large scale, with the largest deployment (26 March) involving 107,000 personnel in search-and-rescue operations. By the end of May, the total number of victims rescued by the police, fire department, Japan Coast Guard, and the SDF exceeded 26,000.²

Since the disaster, 159 countries, regions, and 43 organisations have offered assistance, and 28 countries, regions, and organisations have dispatched rescue and expert teams. Based on Japan's request for assistance, the U.S. military conducted a large-scale operation (Operation Tomodachi) with more than 16,000 personnel, 15 vessels, and 140 aircraft (at its maximum) (Tsunekawa, 2016).

The fire brigade, police, SDF, and the U.S. military were prepared to respond immediately to the earthquake and tsunami, but the nuclear accident was unprecedented and unexpected, and there was no prior know-how. The damage caused by the nuclear power plant accident in Fukushima Prefecture was enormous and the initial response was extremely difficult. The Fukushima Daiichi Nuclear Power Plant experienced a severe accident at level 7 on the International Nuclear Event Scale (INES) when all power was lost in Units 1–4, and radioactive materials generated by the core meltdowns in Units 1–3 spread and leaked out of the reactor buildings. This radioactive material was affected by the wind and rain, which immediately created hotspots over a wide area.

According to the law's provisions on evacuation orders, zones should be set at the discretion of municipal government leaders. However, in a disaster of this magnitude, the central government has no choice but to respond. The government initially ordered evacuation and sheltering in place within a 3-km radius of the nuclear reactors, but this eventually expanded to a 10-km radius, then to a 20-km radius, and to a 30-km radius. However, this was not sufficiently consistent with the direction and amount of radioactive material dispersed.

Estimates regarding the direction in which radioactive materials were flowing were made at the administrative level; however, there was no procedure in place to link this information to the government's evacuation decisions. The government's response to the nuclear accident was confusing.³

20.3.3 *Government Organisations' Responses to the Disaster*

After the disaster, in response to the relief and rehabilitation of victims and the accident at the Fukushima Daiichi Nuclear Power Plant, each ministry was responsible for its own area, and several task forces and meetings across ministries were established in succession. By early May 2011, two months after the disaster, these organisations were organised into the following three systems.

The first was the organisational structure for the restoration of earthquake- and tsunami-damaged areas and support for victims. The cabinet established an official response headquarters within the Prime Minister's Office at 14:50 on 11 March four minutes after the disaster struck, and convened an emergency gathering team. Subsequently, at 15:14, the Extreme Disaster Response Headquarters, headed by the prime minister, was established. On 17 March the Special Task Force for Assisting the Affected Population was established under the Extreme Disaster Response Headquarters to deal with cross-ministerial issues related to livelihood support for earthquake and tsunami victims, including transportation of goods and fuel to disaster areas and measures to receive victims and evacuees (it was renamed the Assisting the Affected Population Team on 9 May). These moves were much more rapid and appropriate responses than those during the Great Hanshin-Awaji Earthquake (Iokibe, 2020; Samuels, 2013; Aldrich, 2019).

The second was the organisational structure for dealing with a nuclear accident. Following the accident at the Fukushima Daiichi Nuclear Power

Plant, a declaration of a nuclear emergency situation was issued at 19:03 on 11 March and the Nuclear Emergency Response Headquarters was established, headed by the prime minister. On 29 March, the Nuclear Emergency Response Team was established under the Nuclear Emergency Response Headquarters. The team was initially tasked with providing livelihood support to the affected population, mainly those who had evacuated from within the 30-km zone of the Fukushima Daiichi Nuclear Power Plant.

The third was the organisational structure that promotes reconstruction. Based on a cabinet decision made on 11 April, one month after the disaster, the cabinet established the Reconstruction Design Council in response to the Great East Japan Earthquake consisting of experts and governors of the three affected prefectures (chaired by IOKIBE Makoto, an international political scientist, and the president of the National Defence Academy at the time) (Iokibe, 2020). The Reconstruction Design Council was expected to draw up a bold blueprint for the future of the affected areas. Meanwhile, the cabinet was tasked with establishing an administrative organisation to set basic policies for earthquake reconstruction and work with the affected local governments and local outposts of the central government for reconstruction. After discussions between the ruling and opposition parties, the Reconstruction Agency was established to take charge of the reconstruction policies in a centralised manner. The Reconstruction Agency differs from other ministries and agencies in that (1) it was established as a temporary measure for ten years until the end of March 2021 (later extended to the end of March 2031), and (2) the Reconstruction Agency is headed by the Prime Minister, assisted by the Minister of Reconstruction.

20.4 RECOVERY AND RECONSTRUCTION PROCESS

20.4.1 *Municipalities' First Principle and Large-Scale Complex Disasters*

As previously mentioned, the Basic Act on Disaster Management defines the responsibilities of the state, prefectures, and municipalities. It also stipulates that the responsibility for disaster management lies primarily with the municipalities on the ground (the 'municipalities first' principle). This stance has remained unchanged from the time of its enactment until the present. The Act on Special Measures Concerning Nuclear Emergency

Preparedness, enacted in 1999, which serves as the basis for the response to the nuclear power plant accident, is also based on the Basic Act. This states that municipalities have the primary responsibility for disaster prevention in the event of a nuclear accident. However, the Great East Japan Earthquake was a complex disaster that was too large and extensive for municipalities to handle. Recovery and reconstruction had to be conducted in close cooperation with the central government and Fukushima Prefecture. The overlapping of activities between national, prefectural and municipal authorities and the assumption of cooperation between them characterise the interfusion type of local system (cf. Chap. 3).

Water and food shortages, massive power outages, and gasoline shortages were immediate issues in affected areas. Nearby areas were also affected at every turn, and there was an urgent need for supplies and human assistance from remote areas. Those whose homes had collapsed or been swept away were forced to stay in shelters provided by municipalities that had been converted from community centres, gymnasiums, and other facilities (set up in more than 2,000 locations within one week).

The Basic Law stipulates that shelters are designated by the mayor of the municipality and are usually run by the local government officials concerned. However, after the Great East Japan Earthquake, many shelters were run by support staff from remote municipalities because the local staff themselves were victims or were busy with other duties. The Kansai Regional Union, an association of prefectures and ordinance-designated cities in the Kansai region, which was relatively far from the disaster area, provided counterpart support by allocating prefectures in charge of providing human and material support to the three Tohoku prefectures and began dispatching staff immediately after the disaster struck. This initiative soon evolved into an initiative by the National Governors' Association. At the municipal level, there was also a wave of human and material assistance from municipalities with which sister city and friendship city agreements had been concluded.

From the disaster's outset, the Extreme Disaster Response Headquarters gathered officials in charge of the procurement and transportation of supplies from the relevant ministries to begin coordinating the procurement and transportation of supplies while requesting cooperation from the relevant organisations and enterprises via the responsible ministries. Previously, municipalities had procured supplies themselves, but as the functions of municipalities were severely impaired by the unprecedentedly

large disaster, the Extreme Disaster Response Headquarters began equally unprecedented efforts to directly implement the procurement and transportation of supplies.

20.4.2 Municipalities' Reconstruction Plans and the Reconstruction Funding Frame to Support Them

Each prefecture and municipality formulated their reconstruction plans in the latter half of 2011, with a planning period of approximately ten years (the nuclear disaster-affected areas in Fukushima Prefecture were delayed in formulating their plans). These plans included not only specific hardware projects (how to restore and rebuild towns, how far to build seawalls in coastal areas, whether residential areas should be rebuilt in the same area or relocated to higher ground, what other urban facilities should be built, etc.) but also a wide range of specific soft projects such as livelihood reconstruction, employment support, and self-employment support. The plans also included necessary financial resources. The government provided generous financial support for these projects.

On 25 June 2011, the Reconstruction Design Council, which had been discussing how to proceed with recovery and reconstruction from the Great East Japan Earthquake, released its proposal, "Towards Reconstruction "Hope beyond the Disaster"". It comprised detailed proposals for the multifaceted recovery and reconstruction of affected areas, including economic revitalisation, development of renewable energy, relocation to higher ground, promotion of cooperation between fishermen and private businesses, and a special disaster zone system. The day before its release, the Diet passed the Basic Act on Reconstruction in Response to the Great East Japan Earthquake, which stipulated the basic principles of reconstruction and the creation of a Reconstruction Agency. The recommendations of the council became concrete guidelines called Basic Guidelines for Reconstruction in Response to the Great East Japan Earthquake decided by the Reconstruction Headquarters on 29 July 2011. This had a major impact on subsequent municipal urban planning and budgetary measures taken by the government and the Diet. The basic policy set a ten-year recovery period, with the first five years as a period of intensive recovery, and clarified the overall picture of efforts during the ten-year recovery period.

First, a Reconstruction Financing Framework was formulated to determine in advance the expected scale of the recovery and reconstruction projects during the reconstruction period, and on that basis indicate the

financial resources needed in advance through special income taxes for reconstruction, expenditure cuts, and the use of non-tax revenues such as revenues from the sale of government-owned shares. The total amount of damage was estimated to be approximately 10 trillion yen at the time of the Great Hanshin-Awaji Earthquake, whereas the total amount of damage from the Great East Japan Earthquake was estimated to be between 16 and 25 trillion yen in June 2011. The enormity of this amount can be seen in light of the fact that the national government's initial budget before the 2011 earthquake was 92.4 trillion yen or 71 trillion yen, excluding the repayment of government bonds.

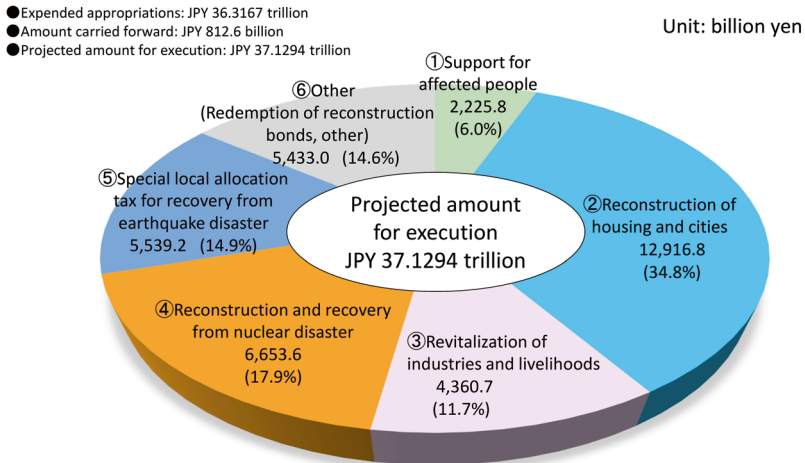
In addition, unprecedentedly generous financial support, personnel assistance, and other special measures were also implemented, such as reducing the burden on local governments for reconstruction projects. For example, a special subsidy tax for earthquake reconstruction was established and financial measures were taken to reduce the burden on affected municipalities to zero. In addition, new support measures were taken in various sectors, such as detailed support for the soft aspects of the situation of the affected population and the establishment of subsidies for the restoration of facilities for groups of small- and medium-sized enterprises (SMEs) and other organisations. Regarding personnel support, various measures were implemented to secure human resources, such as subsidising the cost of dispatching support staff from municipalities across the country to affected municipalities, and dispatching staff employed by the Reconstruction Agency to the municipalities.

In response to the Basic Guidelines that stated that support would be provided to maximise the power of the private sector, detailed support was provided in various phases in cooperation with various actors such as NPOs, volunteers, private companies, and universities.

20.4.3 Progress in Reconstruction Activities

In areas affected by the earthquake and tsunami, the first stage of recovery efforts began with the disposal of debris, construction of emergency temporary housing, restoration of living infrastructure, and reopening of temporary factories and stores. There were 470,000 evacuees at the beginning of the disaster and 320,000 people moved to emergency temporary housing. Later, relocation to permanent housing progressed through the development of public disaster housing, housing sites were relocated to higher ground, and subsidies were provided to support the reconstruction

Status of Reconstruction-related Budgets (FY2011 to FY2019)



(Reference) Estimated expenditure between FY2011 and FY2019 under the reconstruction fund framework (projected for execution) is approximately JPY 30.1 trillion.

*Expenses covered under the reconstruction fund framework exclude expenses claimed for compensation to TEPCO and the redemption of reconstruction bonds from the projected amount for execution.

Fig. 20.2 Status of reconstruction-related budgets (FY2011 to FY2019). Reference: Reconstruction Agency, *Status of Reconstruction from the Great East Japan Earthquake and Reconstruction Efforts*, 2020 September.P.29

of disaster victims' lives. As of March 2022, the number of evacuees was approximately 31,000 (including 28,000 evacuees from Fukushima Prefecture as a whole) (Fig. 20.2).

Special teachers and school counsellors were assigned to support the learning of children who had been evacuated for an extended period of time or had lost a parent. Schooling support and other measures were taken to ensure an educational environment for children who were in financial need as a result of the disaster.

As for infrastructure development, transportation infrastructure such as roads, railroads, and ports, as well as coastal disaster prevention forests have been developed, and with the exception of areas affected by the nuclear disaster, projects were generally completed within ten years after the disaster. For example, 570 kilometers of planned Reconstruction roads are 100% completed (Fig. 20.3). With the development of transportation

(Reference) Progress of Reconstruction from the Great East Japan Earthquake

	Figures before the disaster or maximum figures	Current status
Evacuees	The number of evacuees (Immediately after the disaster)	470,000 As of April 2022 (out of which evacuees from Fukushima prefecture: 30,000)
	Number of people living in emergency temporary housing April 2012 (maximum)	316,000 As of September 2022
Infrastructure/housing	Reconstruction Roads and Reconstruction Support Roads (Aomori, Iwate, Miyagi, Fukushima)	570km (Planned)
	Public housing for disaster-affected people (Aomori, Iwate, Miyagi, Fukushima, Ibaraki, Chiba, Niigata, Nagano) Note: Excludes units under coordination and for returnees	29,654 (Planned number of units)
	Development of residential land with relocation to higher ground (Iwate, Miyagi, Fukushima)	18,226 (Planned number of units)
Industries and livelihoods	Volume of shipments of manufactured products (Iwate, Miyagi, Fukushima)	10,763.7 billion yen 2010
	Areas able to resume farming (Aomori, Iwate, Miyagi, Fukushima, Ibaraki, Chiba)	19,660 ha (Areas affected by the tsunami)
Nuclear disaster	Dimension of areas under evacuation orders August 2013 (maximum)	1,150 km ² As of August 2022
	The number of countries and regions imposing import restrictions on Japanese agricultural, forestry and fishery products and foods	55 countries/regions (maximum)
		35,000 As of April 2022 (out of which evacuees from Fukushima prefecture: 30,000)
		1,000 As of September 2022
		570km (100%) As of December 2021
		29,654 (100%) As of December 2020
		18,226 (100%) As of December 2020
		12,248.7 billion yen 2019
		18,630 ha (95%) As of January 2022
		322 km ² (28%) As of August 2022
		12 countries/regions (lifted by 43 countries/regions) As of August 2022

1C

Fig. 20.3 Progress of reconstruction from the Great East Japan Earthquake. Resources: Reconstruction Agency (2020/Sep) *Status of Reconstruction from the Great East Japan Earthquake and Reconstruction Efforts*, p. 10

and logistics networks, the connection between inland production bases and coastal ports has been strengthened, and logistics has increased.

As for the promotion of SMEs and other industries, support was provided for the early commencement of business through the free loan of temporary factories and shops immediately after the disaster, rehabilitation support through group subsidies for SMEs, and support for business rehabilitation with regard to the problem of affected businesses being stuck with double loans. In addition, the revitalisation of industries and livelihoods was supported through subsidies for the construction of new factories and other facilities and special taxation measures for special reconstruction zones. Thanks in part to these efforts, the value of manufactured goods shipments in the Iwate, Miyagi, and Fukushima prefectures generally recovered to pre-disaster levels in 2014. Regarding the development of commercial facilities, joint retail commercial facilities opened in 13 locations in ten cities and towns, serving as hubs of activity in these towns.

In areas affected by the earthquake and tsunami, the restoration of agriculture, forestry, and fisheries-related infrastructure, such as farmland, agricultural facilities, and fishing port facilities, was vigorously promoted, and efforts were made to increase production efficiency and add value, such as the conversion of large plots of farmland. The agricultural and forestry outputs of Iwate and Miyagi prefectures are at the same level as those of the rest of the country, showing recovery compared to pre-earthquake levels. However, the fisheries industry has not fully recovered, with fishing vessel landings in Iwate and Miyagi prefectures at approximately 70% and 80% of pre-earthquake levels, respectively (Fisheries Agency, *Annual Report*, June 2022, Chapter 6). In the coastal fisheries of Fukushima Prefecture, although the pilot fishery ended in March 2021 and was positioned as a transition towards full-scale operations from April, landings have remained at 20% of the pre-earthquake levels.

Thus, in areas affected by the earthquake and tsunami, the situation has almost returned to the pre-disaster state in the ten years since the disaster, and many reconstruction projects have been completed. However, there is still a long way to go regarding nuclear damage.

20.4.4 Response in Nuclear Disaster-Affected Areas

In areas affected by the nuclear disaster, residents were forced to evacuate to other areas under government orders. In some municipalities, the entire area was evacuated. In Futaba Town, Fukushima Prefecture, approximately 7000 residents were evacuated and the town office temporarily moved its functions to Saitama Prefecture. Residents of the town continue to be placed throughout Japan (Shiroyama, 2015).

During the intensive reconstruction period, radioactive contaminated soil was first removed and interim storage facilities were built to bring in the removed soil and other materials. In addition, the government had to deal with various issues specific to the nuclear disaster, such as providing long-term and wide-area support for evacuees, including housing and psychological care and dispelling harmful rumours about agriculture, forestry, and fishery products.

In terms of environmental restoration, including the removal of radioactive materials, by the end of March 2018, 100 municipalities, excluding those in difficult-to-return zones, had completed decontamination of their living environments. In addition, the delivery of the removed soil and other materials to the interim storage facilities was also generally completed by 2022.

The lifting of evacuation orders is a prerequisite for the return of residents. Accordingly, decontamination and other environmental improvements were conducted, starting with the lifting of the evacuation order in Tamura City in April 2014. Evacuation orders were lifted in each municipality, in all areas except the difficult-to-return zones in March 2020. The number of evacuees from Fukushima Prefecture decreased from a peak of approximately 165,000 to 28,000 as of December 2022. In the areas where the evacuation order had been lifted, the living environment, including medical care, nursing care, education, transportation, and shopping, had improved, and residents gradually returned to their homes thanks to the Fukushima Revitalisation Acceleration Grant and other support.

In line with these efforts, the restoration and revitalisation of affected areas, including the return of residents and the revitalisation of industries and livelihoods, began in earnest. In addition, the government designated a specific restoration and revitalisation base area in the difficult-to-return zone, where residency will be allowed in the future and is proceeding with decontamination and infrastructure development in preparation for lifting the evacuation order.

Although the reconstruction and rehabilitation of areas affected by the nuclear disaster have finally begun, there are still a wide range of issues to be addressed. As many people were displaced for a long period, various support measures have been implemented, such as providing information and consultation support at 26 livelihood reconstruction support centres established nationwide. The progress of reconstruction was not uniform among the areas affected by the nuclear disaster, and long-term efforts are required.

20.5 CONCLUSION: LESSONS LEARNED

The damage from the Great East Japan Earthquake was kept to a minimum compared to the earthquake's enormity, with the exception of areas affected by the nuclear power plant. When faced with such an earthquake, municipalities in all regions were doing their best to cope. However, the rate of recovery varied from one municipality to another. One study found that the number of influential parliamentarians before the tsunami was positively correlated with the speed of recovery (Aldrich, 2019, pp. 93–95). In addition, several other factors could be considered. A questionnaire survey was conducted by the Administration and Local Government

Group established by the Social Scientific Research Committee on the Great East Japan Earthquake at the Japan Society for the Promotion of Science. It targeted officials from the three prefectures of Iwate, Miyagi, and Fukushima, and 37 coastal municipalities in the three prefectures (all at manager level; a total of 1018 managers responded). Responses to the question, ‘What do you consider to be the most important aspects of a municipal response to a disaster?’ showed that the most common response was ‘Leadership of the Mayor (Governor)’ (28.0%), followed by ‘Motivation of individual staff on site’ (14.5%), ‘Support from the national government’ (12.9%), and ‘Cooperation of residents and residents’ organisations’ (10.1%) (Inatsugu, 2018, pp. 114–116). The leadership of the head and the willingness of the staff on the ground are considered important.

The fire, police, and medical service emergency assistance teams, whose organisation was based on lessons learned in the past, were also important. Mutual support by municipal staff was also provided to some extent with the assistance of the National Association of Mayors and other organisations, but this was not sufficient for the Kumamoto earthquake in 2016, so a new system for securing support staff was established in 2018, which has been deployed in subsequent torrential rain disasters, earthquakes, and typhoon damage.

Disseminating and sharing accumulated recovery knowledge and lessons learned will continue to be important. Efforts are underway to prepare a system that can respond to future disasters, such as the Great East Japan Earthquake Recovery Lessons and Know-How Collection (2021).

Meanwhile, the nuclear accident response and the subsequent reconstruction policy still have some way to go, and require long-term steady efforts.

NOTES

1. Looting in supermarkets, convenience stores, and general shops did not occur at all. In addition, residents patiently queued for rationed goods. This was said to demonstrate the security of Japan and to embody the perseverance of the Tohoku people.
2. Cabinet Office, *2011 White Paper on Disaster Prevention*, 2011, pp. 27–28.
3. Social Scientific Research Committee on the Great East Japan Earthquake (2015), p. 12.

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Structure of Trust in Government and Public Administration in Japan

Kosuke Oyama

21.1 INTRODUCTION

Trusting is believing in people or systems and acting by believing without doubt, and it makes it possible to save information costs concerning the other party or the mechanism, and society as a whole works efficiently as a result. However, people and systems frequently betray the expectations of the citizens who trust them. The government and public administration are the same, and it can be said that the unbalance of politicians, public servants, the government, and administrative systems not providing services to the extent that people expect (undelivering) is part of the foundation of distrust of the government and public administration (Nye et al., 1997; Nakamura, 2010, p. 4).

Let's consider the significance of trust in the government a little more. If there is uncertainty in service provision by the public administration, citizens will stop trusting public administration, stop wanting to become

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public servants, stop wanting to comply with laws and ordinances, and stop complying with tax payment (as for public finance, see Chap. 12) and military conscription. If legal order is not maintained, social unease will increase. For that reason, the study of public administration asserts that there is a necessity of increasing public administration's trustworthiness, but on the other hand, political science has a tendency of evaluating the fact that citizens have become mature and started to criticize the government as deepening of democracy (as for Japan's constitution and PA, see Chap. 2, for state administration, see Chap. 5, for politics and administration in Japan, see Chap. 9, and for participatory administration, see Chap. 15).

Excessive trust in the government or public administration is also a problem, and trust that is too strong might be indicating that the government or public administration is suppressing the citizens. Trust that is a moderate level that is not too low and not too high is a good thing. In places where there is appropriate trust, citizens' voting and participation in politics increases (Zenkyo, 2010), and there is a possibility that local public servants' trust in citizens will also increase (Akizuki, 2010).

Concerning the limit of trust in the government, there is also an argument that says that, rather than trust, peace of mind (security) should be sought from the public administration that has authority (Yamagishi, 2007). It is a governance argument by which, in order to avoid the risk of trusting and then being betrayed, a mechanism of adding punishment if public administration commits betrayal (a porcupinefish machine) is necessary (Tanaka & Okada, 2006). If there are safety devices, there is a possibility that trust in the government will increase (as for control and evaluation, see Chap. 18).

Trust includes trust in systems and interpersonal trust (Ikeda, 2010). Trust in systems is trust in administrative systems, such as trust in the public pension system (as for Japan's educational system, see Chap. 6, and for social welfare system, see Chap. 8), and younger generations tend to have less trust in systems than older generations do. Interpersonal trust is trust in public servants, and trust in local public servants is higher than trust in national public servants (Kikuchi, 2010). The quantity of opportunities for contact with those public servants may be affecting that (as for relationship between State and local administration, see Chap. 3 and for local self-government, see Chap. 7).

From here onwards, this chapter will proceed with discussion such as the following. First, the level of trust in the government and public

administration in Japan will be located based on an international comparison (as for internationalization of Japan's PA, see Chap. 4). After that, the independent variables that determine trust will be considered. The relationship with factors such as policy performance and trust-building factors (professional ethics and sense of fairness) will be explored. In addition, trust in prefectures and municipalities, and the factors of that trust, will be considered while making comparisons with the national government. Lastly, recent changes of the government's and public administration's performance goals (such as a change from economic growth to distribution, and an emphasis on degree of life satisfaction), as well as those changes' effects on trust, will be explored.

21.2 THE LEVEL OF TRUST IN G & PA IN JAPAN WILL BE LOCATED BASED ON INTERNATIONAL COMPARISON

In the 1990s, trust in the government in Japan and the United States declined (with a subsequent trend of recovery), but in Europe it was stable (Pharr, 2000; Nye et al., 2002; Van de Walle et al., 2008). If recent trust in the government and public administration in Japan is located based on an international comparison, how will it compare? The charts below show comparisons of the average values of each country's data from World Values Survey 2019 (1 = A lot of trust, 2 = Some trust, 3 = Not much trust, 4 = No trust at all).

Figure 21.1 shows an international comparison of trust in the government in 15 countries, including Japan, and Fig. 21.2 shows an international comparison of trust in public administration in the same 15 countries. There are many countries in which both the government and public administration are not trusted much by the citizens. Japan's level of trust in the government and public administration is at a level that is slightly lower than average, and trust in public administration is higher than trust in the government. The government includes political parties and the Diet. There is a trend for trust in the government and public administration to be low in democratic countries and high in countries under dictatorships. Many Asian countries are countries under authoritarian regimes, and trust is also high (Koike, 2010). In divided nations, expectations for the country's security are high, and trust is also high. Citizens in democracies have a high level of maturity and are critical of the government, but citizens under dictatorships are suppressed by the government and are obedient.

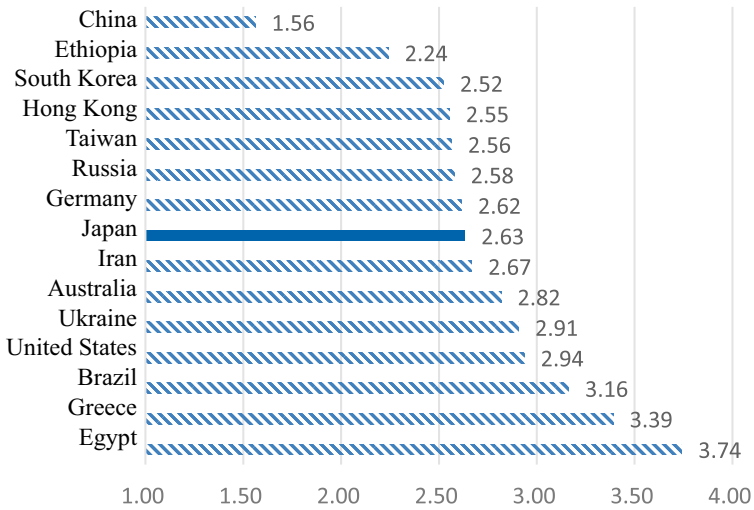


Fig. 21.1 An international comparison of trust in the government. Note: The lower the number, the higher the amount of trust

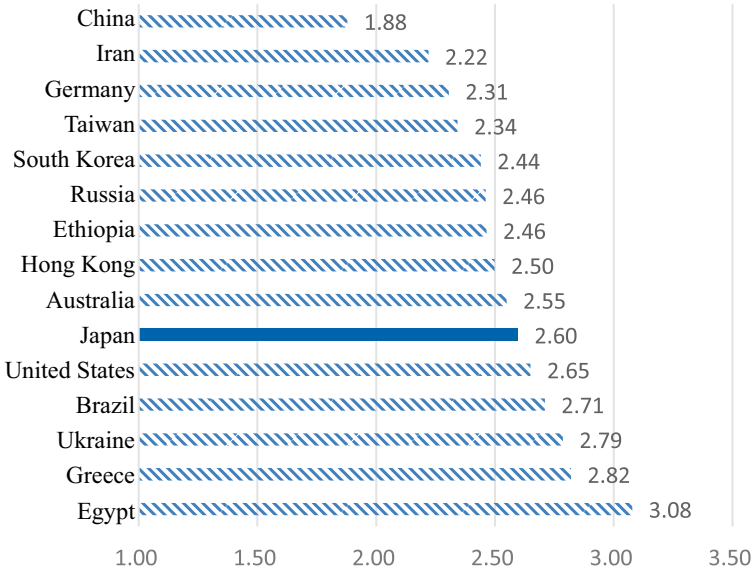


Fig. 21.2 An international comparison of trust in public administration. Note: The lower the number, the higher the amount of trust

21.3 THE INDEPENDENT VARIABLES THAT DETERMINE THE LEVEL OF TRUST IN G & PA

Let's take a look at the results of two ordinal logit regression analyses, in order to measure the effects of independent variables for trust in the government in Japan. Table 21.1 is a secondary analysis that used the Japan data ($N = 644$ [only the national government]) of World Values Survey 2019. Table 21.2 is a primary analysis that used Internet survey data from research (Gyosei Kanri Kenkyu Senta [Institute of Administrative Management], 2006–2010) that was consigned to the Institute of Administrative Management of the Ministry of Internal Affairs and

Table 21.1 Factors for trust in countries' public administration (systems), according to World Values Survey 2019

<i>Dependent variables → trust in public administration (E069_08)</i>	<i>Regression coefficient</i>
<i>Factors on the public administration side</i>	
National ownership of companies and industries (E036)	-0.225
The government's responsibility for living circumstances (E037)	0.219
Japan's degree of democratic rule (E236)	0.858***
Japan's degree of respect for human rights (E124)	0.948***
<i>Factors on the citizen side</i>	
Degree of life satisfaction (A170)	0.466*
Ability to trust most people (ordinary interpersonal trust) (A165)	0.497**
Degree of interest in politics (E023)	0.322†
Political actions: Signing petitions (E025)	0.161
Political positions (E033)	0.293†
Feeling proud to be a Japanese person (G006)	0.543*
Use of the Internet as an information source (B) (E262B)	-0.129
<i>Attribute factors</i>	
Gender (X001)	0.176
Age (X003)	0.38*
Highest level of education (X025A_01)	-0.126
Income (X047_WVS)	0.298†
Scale of place of residence (X049)	-0.193
Cut point 1	-2.522***
Cut point 2	1.457***
Cut point 3	4.307***
N	644
Pseudo-coefficient of determination (R^2)	0.196***

Source: Created by the author

Note: The numbers inside parentheses are World Values Survey variable numbers. p value: $0.05 < p \leq 0.1$ †, $0.01 < p \leq 0.05$ *, $0.001 < p \leq 0.01$ **, $p \leq 0.001$ ***

Communications (Ikeda, 2010; $N = 3851$ [national government], 3840 [municipalities]).

Table 21.1 shows that (1) the pseudo-coefficient of determination (R^2) is 19.6%, and for approximately 80% of the total, factors other than the independent variables here are having an influence; (2) independent variables are divided into three factors consisting of public administration factors, citizen factors, and attribute factors, and there is a significant influence on the order that goes from public administration down to citizens and then down to attributes; and (3) the things that have a major influence are the degree of respect for human rights and the degree of democratic rule, which are public administration factors, followed by pride in being Japanese and ordinary interpersonal trust, which are citizen factors (Putnam, 1993), degree of life satisfaction (Noda, 2013), and the last attribute is age. This trend is almost the same as the result of secondary analysis of the data of World Values Survey 2005 (Oyama, 2010). It is understood that public administration factors strongly influence trust in the public administration, but factors such as the degree of respect for human rights and the degree of democratic rule are legal and political factors, and the fact that it is difficult to call them public administration factors is a limit in secondary analysis.

Concerning factors of trust in the government, the thing that conducted primary analysis based on an original Internet survey is Table 21.2 by Ikeda (2010, p. 25). The interesting point of this chart is that the degree of trust in the national government's public administration and degree of trust in the public administration of the municipality (in which a person lives) have been set as two dependent variables, and it is possible to compare which independent variable has what degree of influence on trust in the national government and trust in municipal governments. However, trust in systems and interpersonal trust are mixed together.

The points that can be read from Table 21.2 are that (1) the pseudo-coefficient of determination (R^2) is 25–27%, and for more than 70% of the total, factors other than the independent variables of this chart are having an influence; (2) for independent variables, public administration factors have been set in detail as trust-building factors, peace of mind factors, capabilities, and performance evaluation (as for administrative reform, see Chap. 13), and for citizen factors, attribute factors, knowledge, social capital factors, and media contact have been set, and for both the national government and municipalities, public administration factors are having a stronger influence than citizen factors; (3) in public administration factors,

Table 21.2 Determining factors of trust in public administration: ordinal logit analysis

<i>Dependent variables →</i>	<i>Degree of trust in the national government's public administration</i>	<i>Degree of trust in municipalities' public administration</i>
<i>Trust-building factors</i>		
Professional ethics: By public administration level	0.211***	0.246***
Sense of fairness for public administration: By public administration level	0.189***	0.164***
<i>Peace of mind factors</i>		
Public administration's peace of mind and monitoring: By public administration level	-0.027	0.033
Public administration's transparency: By public administration level	-0.034	0.105**
Public administration's reputation: By public administration level	0.273***	0.136***
<i>Capabilities</i>		
Awareness of administrative officials' capabilities: By public administration level	0.031	-0.141*
<i>Performance evaluation</i>		
Evaluation of administrative reform	0.243***	0.133**
Awareness of administrative scandals	-0.053	-0.104*
<i>Social capital factors</i>		
Ordinary interpersonal trust	0.08†	0.158***
Participation in society	-0.004	0.008
Participation in neighbourhood activities	0.028†	0.047**
Participation in politics	-0.039	-0.012
Hierarchical diversity of networks	0.014	-0.011
<i>Media contact</i>		
Number of newspaper subscriptions	-0.017	-0.025
Number of sources of contact with televised political information	0.023	-0.126*

(continued)

Table 21.2 (continued)

<i>Dependent variables →</i>	<i>Degree of trust in the national government's public administration</i>	<i>Degree of trust in municipalities' public administration</i>
Degree of use of political information from the Internet	-0.007	-0.018
<i>Attribute factors and knowledge</i>		
Gender	-0.134	-0.072
Age	0.015***	0.012**
Level of education	0.089	0.036
Comprehensive measure of living circumstances	0.177***	0.036***
Scale of city of residence	0.004	-0.02
Degree of knowledge about public administration	0.043*	0.065***
Cut point 1	3.922***	3.273***
Cut point 2	7.529***	6.737***
Cut point 3	12.891***	11.758***
<i>N</i>	3851	3840
Pseudo-coefficient of determination (R^2)	0.2539***	0.2734***

Source: Revision of Table 1 of Ikeda (2010, p. 25)

Note: p value: $0.05 < p \leq 0.1$ †, $0.01 < p \leq 0.05$ *, $0.001 < p \leq 0.01$ **, $p \leq 0.001$ ***

the influence of trust-building factors (professional ethics and public administration's sense of fairness) and public administration's reputation, which is a peace of mind factor, is particularly strong for the national government; and (4) municipalities are trusted more than the national government, and human factors are having a stronger influence than institutional factors. However, the feeling of closeness to the place to which one belongs is almost the same for both the nation and municipalities (85.1% and 86.0%, Doshisha University—Dentsu Institute, 2020, p. 19).

It is understood that trust in the national government and the municipal government is most strongly influenced by trust-building factors such as professional ethics and public administration's sense of fairness, and this type of analysis result matches the analysis result of Pharr (2000), which found that misconduct by public officials (including politicians) in the 20-year period of the 1980s and 1990s was the strongest factor for public

distrust of the government. Hashimoto (2009) theoretically considers the relationship between the decline of trust in the government and corruption.

There are expectations that if the digitalization (as for digital transformation of Japanese governments, see Chap. 16) of important public administration becomes common from now on, trust in the government may increase, but the effects of media contact are conflicting, and there are also some things for which the coefficient is negative. Younger generations tend to have more users of digital information, and therefore digitalization of public administration may cause trust in the government to decline. In order to increase trust in the government through the digitalization of public administration, at the very least, policies that will powerfully support older generations' use of digital content are probably necessary.

21.4 THE VARYING DEGREE OF TRUST IN THE STATE AND IN LOCAL GOVERNMENT AND THE FACTORS

As shown in Fig. 21.3, trust in politics and public administration increases in the order of national government to prefecture (in which one lives) to municipality (in which one lives). In the United States in recent years, there are many survey results that show that while trust in the federal government declined, trust in state and municipal governments increased (Kikuchi, 2010, pp. 89–91). In addition, trust in public administration is higher than trust in politics at all of the national, prefectural, and municipal levels. As for why trust in prefectures and municipalities is higher than trust in the national government, it is conceivable that the reason is

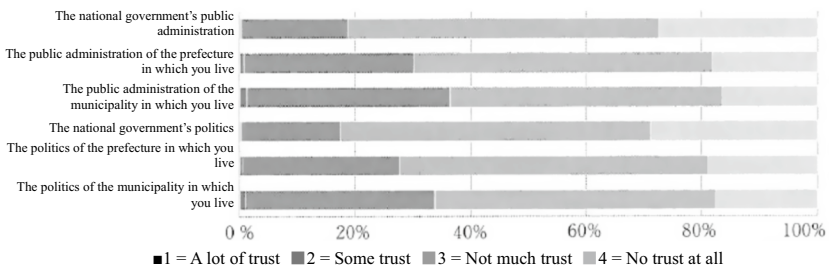


Fig. 21.3 Trust in politics and public administration, by national government, prefecture, and municipality. Source: Figure 1 of Ikeda (2010, p. 21)

because citizens' number of opportunities for coming into contact with public servants are greater for prefectures than for the national government, and greater for municipalities than for prefectures (as for public employment in Japan, see Chap. 11, and for human resources management, see Chap. 17). Japan's central-local relations have a large scale of local governments, comparable to those of countries with a federal system, and in that sense they are decentralized. In addition, as mentioned in many chapters in this book, it is a interfusion type rather than a separation type, so policies in the same field are jointly handled by the national government, prefectures, and municipalities, with the national government in charge of planning and the prefectures and municipalities in charge of implementation. As seen in Sect. 21.3, at the municipal level the trend of trusting people (public servants) more than trusting systems seems to be high.

As for public servants' awareness of professional ethics, which is a factor that has a major influence on trust in the government, according to Fig. 21.4, which conducted analysis by the national government and municipality, public servants' awareness of professional ethics is low overall at both the national and the municipal level, but for the three forms of ethics consisting of organizational ethics ("having pride as a public servant" and "trying to provide services to citizens, as a public servant"),

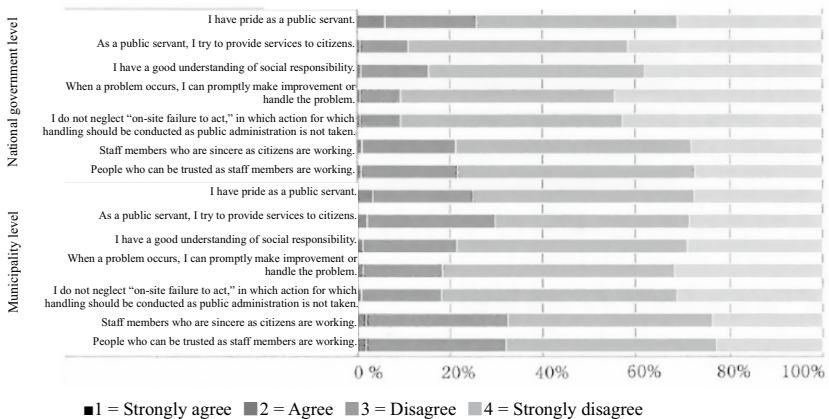


Fig. 21.4 Public servants' awareness of professional ethics. Source: Figure 2 of Ikeda (2010, p. 22)

professional ethics (“having a good understanding of social responsibility,” “being able to promptly improve or handle on-site problems,” and “not neglecting ‘on-site failure to act,’ in which action for which handling should be conducted as public administration is not taken”), and citizen ethics (“staff members who are sincere as citizens are working” and “people who can be trusted as staff members are working”), there is a trend for most of the answers to be higher for the municipal level than for the national level (Ikeda, 2010, pp. 21–22).

21.5 THE RECENT SHIFT OF PERFORMANCE GOALS AND ITS IMPACT ON THE LEVEL OF TRUST

As seen in Fig. 21.5, in Japan in recent years, there is a trend in which the degree of trust in all public organizations and systems is increasing slightly. The three public organizations and systems that have a particularly high degree of trust are the Self-Defence Forces, the police, and courts. As for the Self-Defence Forces, there also was a time in the past when trust was low, but since the handling of the Great Hanshin-Awaji Earthquake that occurred in January 1995 (as for the Great East Japan Earthquake in 2011, see Chap. 20 and for crisis management, see Chap. 19), they have been obtaining a consistently high level of trust. As for the police, there also was a time in the past when they caused scandals and trust declined, but now they are obtaining a comparatively high level of trust. As for courts, compared to the low level of trust in public administration and the Diet, they are obtaining a consistently high level of trust (Nishikawa, 2010). It can be said that there is a high level of trust in legal order in Japan.

The things with the next highest level of trust are universities, followed by public administration, and last are elections, the government, the Diet, and political parties. The trend of a low degree of trust related to politics is also consistent.

The trend of trust in all public organizations and systems increasing slightly became clear in a 2019 survey, and up to that point it had been comparatively stable. Although the factors behind the sudden rise of the degree of trust in all public organizations and systems in the 2019 survey are unclear, considering the fact that pride in being Japanese and strong defense capabilities as a national goal for the next ten years are rising, a conservative swing of public opinion caused by the second Shinzo Abe

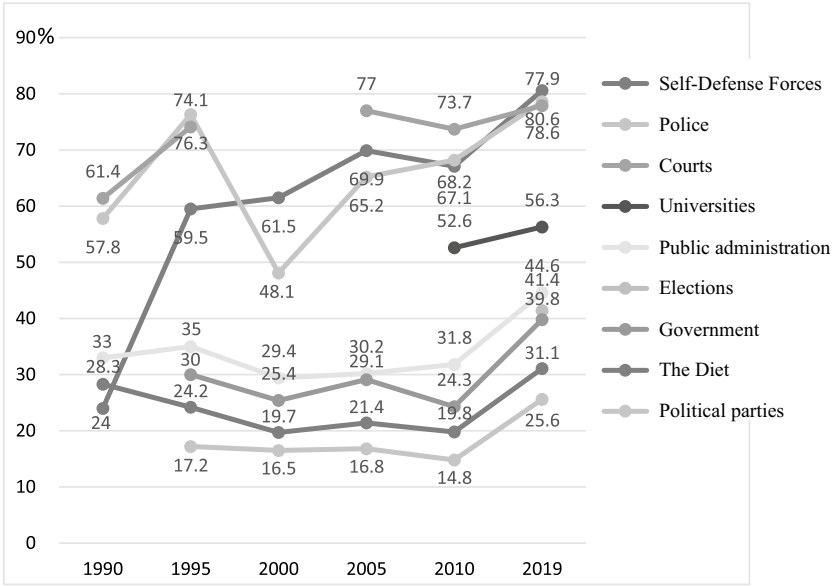


Fig. 21.5 Degree of trust in public organizations and systems (World Values Survey, “A lot of trust” + “Some trust”). Source: Figure 5.3 of Doshisha University—Dentsu Institute (2020, p. 26)

administration and changes of the security environment surrounding Japan are conceivable as those factors. In other words, it is conceivable that post-global and national division factors other than the independent variables for trust in the government that were considered in Sect. 21.3 are having an influence. It is necessary to give additional consideration to changes from now on and the factors behind those changes.

The thing that should be considered here is the influence that changes of performance goals in recent years have on trust in the government, but changes of goals are changes of expectations, and concerning the question of how changes such as, for example, the fact that expectations for policy goals such as distribution rather than growth, an emphasis on degree of life satisfaction, and security have grown in recent years, are influencing trust in the government, the analysable data at hand is limited and we are forced to stop at the general conjecture that was previously discussed. For that reason, the things that I would like to consider here are not policy goals and expectations, but rather the ways in which actual results and

performance evaluation influenced trust in the government, and particularly the question of whether it is process factors such as corruption (as for administrative procedures and processes, see Chap. 10) or factors of performance and results that are influencing trust in the government.

Figure 21.6 is the result of path analysis that used the Japan data ($N = 1175$) of the International Social Survey Programme (ISSP) 2016 and that has trust (interpersonal) in national public servants as a dependent variable and the two constructive concepts (factors) of processes and results as independent variables (Van Ryzin, 2011; Oyama, 2020). Process factors include the observed variable of public servant corruption, and result factors include the three observed variables of security, elderly people's daily lives, and medical treatment for illness. As seen clearly at a glance, processes are having a stronger influence than results on trust in national public servants. In addition, the coefficients from results to trust in national public servants are negative, and the more results rise, the more trust declines. It is understood that not conducting public servant corruption strongly influences trust in public servants more than it raises policies' results. Based on that result, it is predicted that the influence that changes of government goals in recent years will have on trust in the government will probably be limited, but as discussed previously, although the influence that actual results will have on trust in the government may be small, data for the influence that changes of goal expectations have on trust in the government is limited, and nothing more than general conjecture can be said.

Oyama (2015) used a model that exchanged the processes of Fig. 21.6 with post-NPM and exchanged results with NPM and data from an original Internet citizen survey and conducted path analysis of whether it is NPM or post-NPM that is influencing trust in (department or section) municipal administration (in the places where people live) (as for NPM reform in Japan, see Chap. 22). The six observed variables for post-NPM were information provision, placing importance on procedures/rights, compliance with laws and ordinances, collaboration/cooperation, placing importance on transparency/discussion, and service improvement, and the three observed variables for NPM were transfer of authority, consignment to external parties (as for institutional differentiation of public service provision in Japan, see Chap. 14), and customer-first policy. The result was that post-NPM was having a much stronger influence than NPM on trust in the government. NPM's coefficient is negative, and the stronger NPM became, the more trust in municipal administration declined.

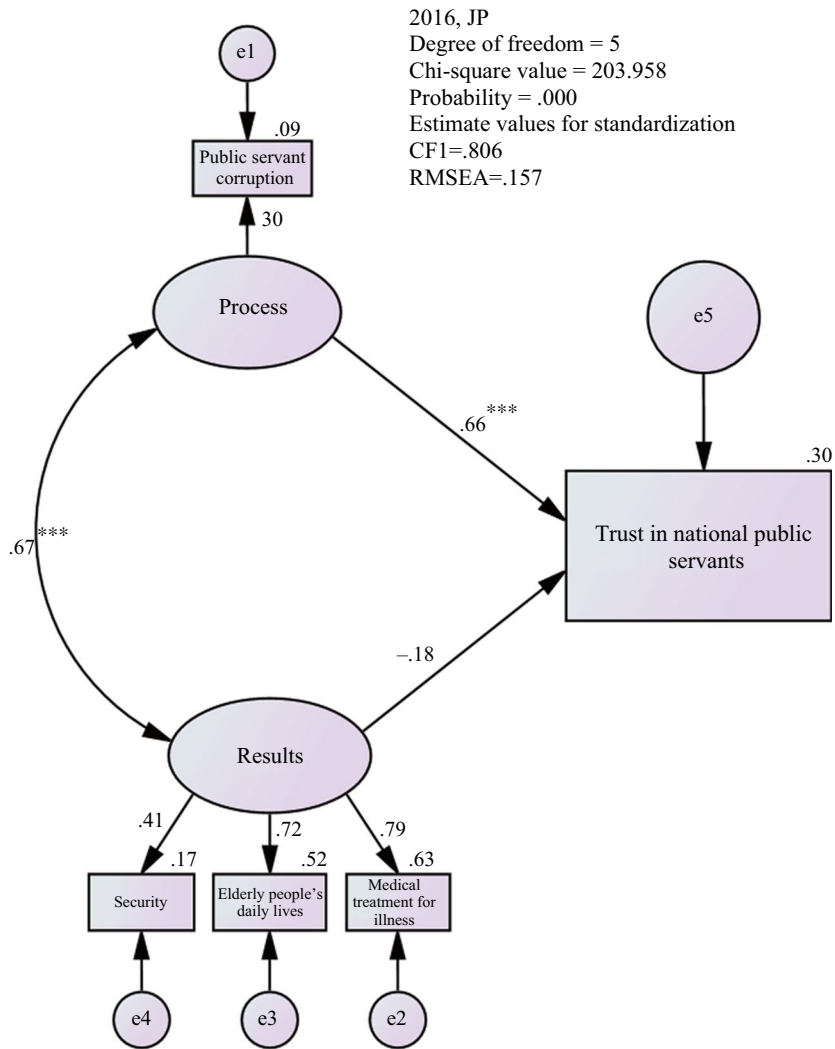


Fig. 21.6 Process and results for trust in national public servants. Source: Created based on Figure 3 and Table 6 of Oyama (2020, pp. 7, 12)

21.6 CONCLUSION

Looking at an international comparison, Japan's trust in the government and public administration is average or a degree that is slightly lower than average. Overall, there are many countries in which the people do not have much trust in the government and public administration. The more democratic a country is, the less people trust the government and public administration, and people in countries under dictatorships tend to have more trust in the government and public administration. In democracies, there are many mature citizens who are critical of the government and public administration, but in dictatorships, the government and public administration are oppressive and there are many citizens who have an obedient attitude. More than citizen factors that include attributes, government and public administration factors are having a strong influence. Among public administration factors, trust-building factors (professional ethics and public administration's sense of fairness, particularly in municipalities) and the reputation of public administration (particularly the national government), which is a peace-of-mind factor, are having a strong influence. Municipalities are trusted more than the national government, and trust in people is stronger than trust in systems. Although it is conceivable that the influence that changes of government goals in recent years have on trust in the government is limited, the conservative swing and changes of the security environment of recent years may be temporarily causing trust in the government to rise. The question of how digitalization of public administration will affect trust in the government is something to pay attention to from now on.

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Public Management Reforms in Japan: With and After NPM

Norio Kazama

22.1 INTRODUCTION

This chapter examines the impacts of public management reforms on Japanese public administration. Since the second half of the 1990s, nearly ten years later than Anglo-Saxon countries, a series of reforms in the name of New Public Management (NPM) have largely been carried out in Japan. We can understand the nature of Japanese public administration by tracing the process in which central and local governments accepted the ideas and methods of NPM. In parallel with NPM, reforms based on other paradigms, such as the Neo-Weberian State (NWS) and New Public Governance (NPG), have also been promoted. This chapter will prospect the Japanese public management reforms in the post-NPM era with hybrid governance system.

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22.2 NEW PUBLIC MANAGEMENT IN ADMINISTRATIVE REFORMS

In Japan, use of the term “public management reforms” is limited to the academic world. The phrase “administrative reforms (*Gyosei Kaikaku*)” is rather prevalent. Since World War II, administrative reforms have continued to be an important agenda for successive Cabinets. Various measures developed under NPM have been also introduced in the process of administrative reforms.

NPM is an umbrella term for a series of public management reforms that the Thatcher administration developed since their seizure of power in 1979 (Hood, 1991). NPM is based on the idea of “managerialism,” which is believed to be able to resolve various policy problems by introducing the private sector’s management style (Pollit, 2016). It is also under the influence of “neo-liberalism,” which insists that the potential of organizations can be unleashed in competitive market.

NPM was propagated from the UK to other Anglo-Saxon countries and then became a large movement with impacts on administrative systems in the European Continent as well. Researchers in Japan actively introduced the trend of NPM through academic journals and conference reports, and some bureaucrats and politicians also took notice of it. However, it was not until around 1995 that the government enthusiastically introduced NPM into Japan’s administration system.

22.3 HISTORY OF NPM REFORMS IN JAPAN

22.3.1 *The Pre-history of NPM*

22.3.1.1 *The First Provisional Commission for Administrative Reform (FPCAR)*

In order to gain an in-depth understanding of public management reforms in Japan, it is necessary to go back to the reports submitted by two Provisional Administrative Reform Commissions.

In November 1961, when Japan was achieving miraculous economic growth, the IKEDA Cabinet of the Liberal Democratic Party (LDP) established, as an advisory body for the Prime Minister and based on the law, the First Provisional Commission for Administrative Reform (FPCAR) comprised seven private-sector members. In September 1964, FPCAR

released a report, “Written Opinion about Administrative Reforms.” This report proposed a wide range of administrative reform proposals necessary to cope with society’s major changes in an era of rapid economic growth. Although the report included some important proposals, such as reinforcement of Cabinet functions and the enactment of the Administrative Procedure Act, most of recommendations were not put into practice at that time.

However, based on this report, Prime Minister SATO, who succeeded IKEDA, implemented a policy of “uniform reduction of one bureau for each ministry and agency” in 1968. From that time onward, it became common to follow a “scrap and build” custom, by which an organization of the same level must be abolished whenever an organization is newly established (Muramatsu & Matsunami, 2003). In addition, based on the FPCAR report, the “Act on Limitation on Number of Personnel of Administrative Organs” was enacted in 1969 and an upper limit for the total number of government officials in ministries and agencies was stipulated. This Act led ministries and agencies to establish special corporations (*Tokushu Hojin*) that were not included in the maximum number of government officials. And ministries and agencies also demanded prefectural and municipal governments to take charge of their services.

In this way, the central government separated some services from their functions and transferred them to other organizations by degrees long before NPM reform movement.

22.3.1.2 The Second Provisional Commission on Administrative Reform: SPCAR

After two oil crises in the 1970s, the Japanese economy entered a stage of low growth, and a natural increase of government revenue could not be expected. The LDP fought the 1979 Lower House election with a campaign pledge to newly establish consumption tax, but it failed to obtain a majority of seats. For successfully introducing consumption tax system against the resistance of voters, it was necessary to show an achievement of administrative and financial reforms before that (Furukawa, 1999).

The SUZUKI Cabinet, launched in July 1980, employed a slogan of “fiscal reconstruction without tax increases” and created a system to powerfully promote administrative reforms, with Director NAKASONE of the Administrative Management Agency. In March 1981, the government established the Second Provisional Commission for Administrative Reform (SPCAR), with business circle leader DOKO Toshio as its chairperson.

SPCAR was a third-party organization composed of nine members selected from academic, economic, bureaucratic, and labor circles. The government took a firm stance of avoiding any intervention concerning what SPCAR set as its agenda or the content of proposals it made (Tanaka, 2006, p. 8). SPCAR attracted citizens' interest through frequent news releases, partially because of DOKO's unpretentious personality. Tough negotiations with ministries and agencies were piled up during the deliberation process, and reform plans of report had gained greater feasibility than that of FPCAR.

Among a wide range of themes SPCAR took up, the most monumental accomplishment was privatization of three major state-own enterprises: Nippon Telegraph and Telephone Public Corporation, Japan Tobacco and Salt Public Corporation, and Japanese National Railways (JNR). Especially, JNR was unable to get out of chronic deficits despite obtaining government subsidies of more than JPY 600 billion each year, but, in the face of a strong labor union, privatization was thought to be quite difficult. However, after complicated negotiations, the "Japanese National Railways Reform Act" was enacted in 1986 and JNR was divided into six private railway companies in each region.

The SPCAR report consistently opposed to excessive market intervention by government and expressed deeply reliability for the private sector, which was contiguous to NPM's philosophy. It was impossible to accomplish large reforms by the government's endogenous logic solely, and use of exogeneous logic to emphasize neo-liberalism as a global standard generated the driving force. Prime Minister NAKASONE, who succeeded SUZUKI, was a typical neo-liberalist and attempted further privatization. However, he was unable to accomplish it in the way the UK and the United States did, except the liberalization of telecommunications, and reform has been promoted in an incremental way.

22.3.2 *Hashimoto's Administrative Reforms*

In the August 1993 general election, the LDP stepped down from power, and it experienced being an opposition party until June 1994. It was the first time the LDP members confronted the bureaucratic system as an opposition party. After returning to power in January 1996, LDP Prime Minister HASHIMOTO demonstrated strong leadership in achieving change to the previous interdependent relationship between politicians and bureaucrats and aggressively promoted reforms named "Hashimoto's

administrative reforms (HASHIMOTO-*Gyokaku*),” which had the largest impact of any reforms since World War II.

In the 1990s, Japan’s financial situation abruptly worsened. The HASHIMOTO Cabinet powerfully promoted fiscal austerity policies such as a decision to cut state subsidies by 15% in the three-year period beginning in fiscal 1997. Meanwhile, scandals of bureaucrats and failures of policies were repeated, and citizens’ distrust of bureaucracy was rapidly increasing (Furukawa, 1999).

Prime Minister HASHIMOTO, being aware of public administration’s institutional fatigue, established an “Administrative Reform Council,” based on a Cabinet decision in November 1996. According to Tanaka, the Prime Minister selected thirteen members for the council on his own authority, took the position of chairperson, and led discussions at the council’s meetings (Tanaka, 2006). Various epochal reforms were proposed by this council.

Among these proposals, the agenda that attracted ordinary citizens were large-scale reforms to reduce the national government’s administrative organizations from twenty-two ministries and agencies to twelve. In Japan, government officials in general build their careers in the ministry or agency at which they were hired and cultivate loyalty to the organization (Jun & Muto, 1995). For this reason, the backlash against the loss of the names and traditions of the organizations they relied on was extremely large. However, the Council actively released information on the deliberative process to the media, attracted citizens’ attention, and thereby succeeded in reporting a bold reorganization plan. The content of the report came to fruition as the 1998 Basic Act on Central Government Reform.

HASHIMOTO’s reforms also included the reinforcement of Cabinet Secretariat, which is an auxiliary organization for the Cabinet, transferring from a coordinating organization among ministries into a strategic planning headquarter (Shiroyama, 2006). From then on, a Prime Minister with strong political power would use the Cabinet Secretariat to thoroughly demonstrate his political leadership. The unique Japanese situation, where each ministry historically enjoyed strong autonomy, had some influence on HASHIMOTO’s reforms to integrate organizations and led rather different direction from the Anglo-Saxon NPM reforms aspiring to disaggregated organizations for each goal.

22.3.2.1 Incorporated Administrative Agencies

In HASHIMOTO’s reforms, the phrase of New Public Management was not appeared in documents of a Cabinet decision level, but we can find

some policies that apparently introduced from NPM (Muramatsu & Matsunami, 2003). One example is that of the incorporated administrative agencies (*Dokuritsu Gyosei Hojin*), which are Japanese-style next steps agencies. Establishment of the independent corporation system was stipulated in the 1998 Basic Act on Central Government Reform, and based on it, the “Act on General Rules for Incorporated Administrative Agencies” was enacted in 1999.

Some elements such as separation of planning and implementation functions, giving operational discretion to the top of independent of corporations, improving service quality and efficiency through management by medium-term goals, and introduction of a corporate accounting system were imported from the framework of the UK’s “next steps agency” (Inatsugu, 2006). However, development of a market where incorporated administrative agencies and private companies compete on an equal basis for the position of public service provider was not considered important.

In accordance with the Act, public services to be detached from the central government were selected, and under the “Policy for Promotion of Central Government Reforms” in April 1999, fifty-seven incorporated administrative agencies, such as national research institutes and museums, were established.

The creation of incorporated administrative agencies also aimed to reform special or authorized corporations that were established based on special laws (Inatsugu, 2006). As explained above, the Act on Limitation on Number of Personnel of Administrative Organs and the existence of the scrap and build rule have generated significant transaction costs in expanding administrative organizations, and therefore individual ministries and agencies have adopted a strategy of establishing special corporations in charge of implementing their policies and providing public services. However, at that time, the inefficiency of those organizations and the ambiguity of management responsibility were criticized as being problematic. In December 2001, the government made a Cabinet decision for a “reorganization and streamlining plan for special corporations,” and 17 corporations were abolished, 45 were privatized, and 36 were changed to independent corporations.

22.3.2.2 Private Finance Initiative

The Private Finance Initiative (PFI) system was introduced by the UK’s Major administration in a series of NPM reforms. It is a policy method that applies the private sector’s funds, management and technical abilities to planning, construction, and operation of public facilities.

The Ministry of Construction, the Ministry of International Trade and Industry, and the construction industry, having a sense of crisis after the severe reduction of public subsidies under HASHIMOTO Cabinet, paid attention to PFI in anticipation. The term PFI became noticeable in many policy documents of the government and the LDP, as a prescription for economic measures under the austerity promoted by HASHIMOTO. The LDP organized a cooperative network with business and bureaucrats and facilitated the draft of the bill. “The Act on Promotion of Private Finance Initiative” was passed in the Diet and put into force in September 1999, without becoming a political issue.

Based on the Act, several practical guidelines were formulated, and an organizational support system and a subsidy procedure for PFI projects of the national and local governments were prepared. The scheme in which private-sector companies create special purpose companies, receive financing from banking institutions, and construct and operate facilities based on specifications documents presented by public administration imitates the UK’s system as a model. The PFI is now being utilized in construction and operation of a broad range of public facilities including waste disposal and treatment facilities, welfare facilities for the elderly, water supply facilities, sewage plants, funeral halls, prisons, parks, and public housing.

22.3.3 *Koizumi’s Structural Reforms*

In the history of Japan’s administrative reforms, it was the KOIZUMI Cabinet that most clearly set out to introduce the ideas of NPM. KOIZUMI is a rare prime minister who took hold of the President of LDP by winning an overwhelming victory in a party member election rather than through backroom negotiation among factions within the LDP. He took pride in immense popularity among the citizens, and by mobilizing their direct support, he promoted privatization of the Japan Highway Public Corporation and postal services under a slogan of “structural reforms without a sanctuary” that broke down vested interests.

Under the “Fundamental Policy for Structural Reform of Economic and Fiscal Management and Economic Society” (the so-called Bold Policy 2001), which was the Cabinet decision made soon after the start of the Cabinet in June 2001, the term “new public management” was used for the first time in formal Cabinet documents (Harada, 2005). In “Bold Policy 2001”, NPM was explained as a “new administrative method” in the “reform of policy processes.” We can find NPM cliches such as that

citizens are customers for public administration that provides public services and that central and local governments must maximize the degree of citizens' satisfaction. KOIZUMI called for neo-liberal economists as policy advisers and pushed on introducing market principles as much as possible in all policy areas, including employment, social welfare, and education.

22.3.3.1 Privatization of Postal Services

The symbol of KOIZUMI's structural reforms was the privatization of postal services. The struggle between KOIZUMI versus LDP members and bureaucrats over this issue continued to draw citizens' attention.

After World War II, the government had been operating three huge businesses in the form of postal mail, savings, and postal life insurance. In 1997, the Administrative Reform Council of the HASHIMOTO Cabinet submitted a report to recommend privatization of postal savings and life insurance. However, LDP members strongly opposed it, and in the end, "Japan Post" was created as a public corporation and the issue settled down with the public servant positions of the post office staff being maintained. Under the KOIZUMI Cabinet, discussion about privatization of the postal service resurged.

For LDP members, the directors of specially designated post offices located throughout Japan were one of their most active support groups in national elections. In response to their precious support group, they firmly resisted the privatization of postal services. KOIZUMI finally succeeded in overriding opposition within the party and submitted a bill related to the privatization of postal services to the Diet. However, some rebels, ignoring LDP regulations, voted against the bill, which was rejected at a plenary session of the House of Councilors on August 8, 2005.

Then, KOIZUMI decided to use his authority under the Constitution to dissolve the Lower House and entered a "single issue election" that directly asked the voters about the propriety of privatization of postal services. As a president of the LDP, he took a strict stance of requiring candidates to express agreement on privatization of postal services and drove Diet members into a situation in which they were forced to agree. In this election, the LDP won by obtaining more than two-thirds of the seats, and as a result, the privatization process of postal services accelerated, and bills related to postal services privatization were enacted in October 2005.

KOIZUMI succeeded in abolishing Japan Post and in dividing its services into the five private companies and accomplished privatization. However, post offices' daily work did not change significantly.

The privatization of Japan Highway Public Corporation was also realized after going through a complicated political process. KOIZUMI's structural reforms politicized the discussion on public management reforms and dragged politicians, bureaucrats, and related industries into the political arena, and rational discussion was not sufficiently conducted.

22.3.3.2 Designated Manager System and Local Incorporated Administrative Agency

During the KOIZUMI administration, two systems promoting the privatization of public services at the local government level were established.

The first is the designated manager (*Shitei Kanrisha*) system established in September 2003 with partial revision of the Local Autonomy Act. Local governments enact ordinances and select private companies, incorporated foundations, or NPOs that will operate public facilities instead of public administration. It is expected that local governments, through using a comprehensive evaluation or proposal method, make use of the private sector's knowhow and experience to provide services effectively and efficiently. This system is broadly used in operation of sports facilities, parks, libraries, museums, facilities for elderly or disabled people, nursery schools, and funeral halls.

The second to be touched on is the local independent corporation system, established in April 2004. By stipulating the Articles of Incorporation, a local government can establish an incorporated administrative agency after receiving authorization by the Minister of Internal Affairs and Communications (for prefectural agencies) or a governor (for municipal agencies). However, at present, local independent corporations are limited to universities and public hospitals, and it is difficult to say that the system has taken root at the local level in Japan.

22.3.3.3 Tender Bidding of Public Services

The Act on Reform of Public Services by Introduction of Competitive Bidding, which went into effect in June 2006, is a system oriented toward NPM that aims to implement 'a market test' for all public services at the national and local level. It utilizes tender bidding to reflect the private sector's creativity and ingenuity in the provision of public services.

The Act calls for governments and private actors to participate in tender bidding from equal positions, and the tenderer superior in quality and

price undertakes public service provision. However, it does not specify services to be put out to bidding and hardly imposes an obligation of tendering on local governments like the “Compulsory Competitive Tendering” of the UK. And the initiative for deciding which public service to make subject to tendering lies on the public administration side.

22.3.4 *Penetration of the NPM Idea in Public Administration*

In sketching out NPM reforms in Japan, I may have given the impression that political leaders overrode bureaucrats’ resistance and succeeded in making reforms. However, the actual process is not that simple. In Japan’s public administration, there are always a certain number of bureaucrats who are dissatisfied with existing policies and the way that organizations are and eagerly desire to carry out reform. Politicians have accomplished reforms by inviting those types of reform-minded bureaucrats to deliberative process and building cooperative relationships with them.

Largely, Japanese researchers do not think that NPM reforms caused a Copernican revolution in public administration. NPM reforms in the UK generated a multitude of policies with a certain degree of consistency, based on the ideas of managerialism and neo-liberalism. However, Japan has a culture of adopting other countries’ ideas to its own social and political context (Rose, 1993). In the case of NPM reform as well, measures that would comport with Japan’s public administration culture were, on each occasion, selected and imported without considering the philosophies or ideas behind them.

From a global perspective, NPM lost its momentum in the beginning of this century, and discussion of post-NPM has been thriving. However, NPM, inadequately introduced in Japan, is still alive for the following reasons.

First, the logic of NPM is frequently reused when promoting financial reforms and deregulation are necessary. In Japan, facing an enormous budget deficit, restraint of expenditures continues to be a main theme of public management reform. In coping with a broad range of policy issues, regulations are to be expanded in nature, and the government is always forced to consider deregulation. The idea of “from government to market,” which had been asserted since the Provisional Commissions for Administrative Reform, has appeared repeatedly because of its persuasive power.

Second, some measures with NPM ideas have grown on their own. For example, the “Act on Promotion of PFI” has been amended several times

and the “concession” method was incorporated so that private investors would willingly commit to PFI projects. For incorporated administrative agencies, initially, the government intended to manage them in a centralized manner but changed to prepare diverse monitoring methods for corporations with different types (Agata, 2022). For the designated manager system as well, “good practices” have been accumulated and shared among local governments. The NPM idea is embedded in Japan’s public administration and slowly permeating in awareness of public servants who implement NPM-oriented policies.

22.4 REFORM PARADIGMS OTHER THAN NPM

22.4.1 *Three Paradigms of Public Management Reforms*

In “Public Management Reform,” Pollitt and Bouckaert take notice of countries that prefer to maintain the government’s interventionist policies and, therefore, the speed of NPM reform is sluggish, such as Germany, France, and Scandinavian countries. In its second edition, they labeled these countries as Neo-Weberian States (NWS), and this term is now shared among public management researchers (Pollitt & Bouckaert, 2017).

Pollitt and Bouckaert explain NWS by two elements: Weberian and neo factors. The following are Weberian factors: reconfirmation of (1) the roles of the state, (2) the roles of representative democracy, (3) the roles of modernized administrative law, and preservation of (4) the idea of a public service with a distinctive status and culture. Under the NWS model, government is placed at the center of the policy system, and bureaucracy’s execution of laws based on direction and orders by politicians is considered quite important. Neo factors are composed of (1) external orientation toward meeting citizens’ needs and wishes, (2) supplementation of representative democracy by citizens’ participation, (3) modernization of relevant laws to encourage a greater achievement of goals, and (4) professionalization of the public service.

In the NWS model, citizens’ trust in governments is ensured by incorporating the NPM concept and by improving transparency and responsiveness. Meanwhile, disadvantages of NPM such as the fragmentation of public administration, ambiguity of responsibility, and neglect of procedures are expected to be overcome by the Weberian view of public administration. The NWS model is now gradually being accepted by European Continental researchers who are skeptical of neo-liberalism.

According to Pollitt and Bouckaert, New Public Governance (NPG) is also a paradigm for public management reforms. They brought in this concept from Osborne's article. NPG is an umbrella term for various tools and ideas relating to governance networks or network governance (Osborne, 2010). NPG functions through horizontal coordination among the government and society's actors, who are interdependent.

What is of importance for Japan's public management reform is that both NWS-oriented and NPG-oriented reforms have been promoted collaterally with NPM-oriented reforms.

22.4.2 *NWS-Oriented Reforms in Japan*

In Japan, where conflict and struggle between and among ministries had been considered problematic, strengthening coordination functions has always been one of the most important themes for administrative reforms. Under the HASHIMOTO Cabinet, auxiliary systems for the Prime Minister and the Cabinet were improved along with the reshuffle of ministries and agencies. After that, the political power of the Prime Minister's official residence (*Kantei*) and the Cabinet Secretariat has considerably increased. This trend is a change that conformed with the NWS model.

The Great Hanshin Earthquake in 1995 exposed the inability of the central government's crisis management. By the major revision of the 1995 "Basic Act on Disaster Management," the authority of Prime Minister in emergency situations was strengthened and the Cabinet's information collection functions were also improved. In addition, the "Act Concerning the Measures for Protection of the People in Armed Attack Situations" of 2004 stipulated the roles of government in relation to protecting citizens' lives and property from armed attacks by foreign countries and from large-scale terrorist attacks. These reforms toward centralizing powers in emergency show in the same directions as NWS model.

Under the "Basic Act on Reform of National Public Service Systems" of 2008, a performance-based merit system was introduced for government officials, the "Center for Personnel Exchanges Between the Government and Private Entities" in charge of public servants' re-employment was established in the Cabinet Office, and organizational mediation for high-ranking officials to obtain private sector re-employment after retirement was prohibited. In addition, the Act planned to establish the Cabinet Bureau of Personnel Affairs, which would manage public servants' personnel affairs in control of *Kantei*. However, various negative

opinions were expressed within the LDP and from the opposition parties, and the plan reached deadlock. In March 2014, the ABE Cabinet achieved a return to political power, overrode opposition in the LDP, prepared a bill related to reforms for government officials, and established the Cabinet Bureau of Personnel Affairs, which oversees personnel affairs of high-ranking officials. At present, researchers pay attention to the influence of this Bureau on the power balance between politicians and bureaucrats.

Enactment of the Administrative Procedure Act has been repeatedly recommended by various types of bodies for administrative reforms since the report of FPCAR in 1964 and finally realized in 1993. This Act provides the relationship between public administration and society by setting rules for administrative guidance (*Gyosei Shido*) that characterizes the Japanese public administration style (Furukawa, 1999). In the aspect of modernization of administrative law, it is possible to position it in reforms based on the NWS model.

Although the cases picked up here are just a few examples, we can make sure that a series of reforms aim to make bureaucracy effective, to enhance political leadership, and to modernize administrative law. However, as of now, conspicuous changes cannot really be seen for the “neo” elements for which NPM experiences were reflected.

22.4.3 *NPG- Oriented Reforms in Japan*

The NPG model for public management covers almost all fields of public administration in Japan. Some of the cases oriented to NPG are the following.

In Japan, LDP members specialized in their respective fields, bureaucrats in charge of policies in each ministry, and interest or pressure groups have formed policy communities (so-called Iron Triangle) (Okimoto, 1989). These policy communities have been maintained even after the reshuffle of ministries and agencies under HASHIMOTO’s reforms. Each policy community is exclusive and highly structuralized. It differs from the open governance networks under which the NPG model is expected to function. However, by accumulating experiences of the horizontal coordination in policy communities, the government actors are learning to accomplish goals without depending on the hierarchical command and control.

Policy measures such as PFI, incorporated administrative agencies, and designated manager system that have been adopted in the genealogy of

NPM reforms will clearly contribute to NPG as channels for building networks between the state and society.

Decentralization can be cited as the most important change contributing to the development of NPG. Since the Meiji Era, when taking the road toward a modern state, Japan had maintained a system of highly centralized power, even after the enactment of the Local Autonomy Act in 1947. However, problems of a centralized system have been gradually revealed, and decentralization has become one of the crucial issues of politics. In 1993, the Act on the Promotion of Decentralization was enacted by the HOSOKAWA Cabinet, which was established without the LDP, and thereafter the government has been promoting decentralization slowly but steadily.

In 2002, the KOIZUMI Cabinet established a procedure to designate “a Special Zones for Structural Reforms.” Based on a proposal by the local government, this system made it possible to provide public services beyond legal regulation. Thereafter, there was not a nationwide uniform decentralization, but a system in which only highly motivated local governments obtain active support from the central. In addition, since 2014, the government has called for proposals on decentralization from local governments.

Slowly but irreversibly, a power transition from the central to local governments in policy initiatives is occurring. Local governments begin to create strategic networks with private-sector actors and to provide conditions for local governance to resolve their issues effectively.

The Great Hanshin Earthquake in 1995 led attention to the key roles played by voluntary groups and NPOs, and the “Act on Promotion of Specified Non-profit Activities” was enacted in 1998. This Act provides a measure to support NPO activities by giving private-sector organizations a formal authorization as NPO corporations. By the tax reform of 2011, the system for deducting donations related to NPO corporations was introduced. When taxpayers make donation to an authorized NPO corporation, they can receive a deduction from income. Although most NPO corporations in Japan are suffering from insufficient funds for activities, they are enhancing their presence as key players in realizing public interests.

By enacting ordinances, local governments have antecedently promoted public information disclosure that is the fundamental condition for NPG, but in 1999 the “Act on Access to Information Held by Administrative Organs ” was also enacted at the national level. The government has shown a willingness to proactively provide policy-related

information, and the flow of information from the state to society has gradually been vitalized.

Electronic government is now being actively promoted in Japan. Although the introduction of IT is late compared with other developed countries, the Japanese government established the “Digital Agency” in September 2021, and digitalization of public services is accelerating. According to Dunleavy et al. (2006), NPG takes the form of “Digital-Era Governance.” Digitalization has the potential to link each section in public administration more closely, to make administrative procedures more simplified, and to provide new channels of communication between citizens and government (Dunleavy et al., 2006, p. 481). Digitalization will improve communication in governance networks and will have a positive impact on NPG.

In various policy areas, network-oriented relationships among stakeholders have been created, and “good practices” for successful networking have been accumulated. For example, the Ministry of Foreign Affairs sets up regular meetings with NGOs and reflects their opinions in basic policies such as the ODA Charter. The Ministry of the Environment has been generating driving forces for promoting environmental regulations and the reduction of greenhouse gases by building close cooperation with NGOs. In addition, the Ministry of Health, Labour and Welfare has placed “community-based integrated care systems” at the core of support for elderly people and is developing policies for functioning networks in which community actors, such as municipalities, social welfare corporations, and other public and private facilities, provide public services in cooperation. Network-building with private-sector actors is now a key strategic policy tool for both the central and local governments.

22.5 CONCLUSION: FUTURE OF PUBLIC MANAGEMENT REFORM IN JAPAN

Looking back at the history of public management reforms in Japan, we can find that the three reform paradigms of NPM, NWS, and NPG have been promoted in a multi-layered manner bearing a certain contradiction. The form of post-NPM to be discussed is not the simple pursuit of one model, but rather a hybrid and complex governance system (Christensen & Lægred, 2011; Wiesel & Modell, 2014).

In envisioning the future of Japan's public management, it is necessary to conceive the idea of an appropriate relationship between NWS, which places particular importance on the state's functions, and NPG, which trusts and relies on the potentials of governance networks.

F. W. Scharpf uses the phrase "the shadow of hierarchy" to explain the relationship between state and networks (Scharpf, 1997). Since networks are based on horizontal interaction among autonomous actors, transaction costs for coordination become quite high and the networks fail to function effectively. If stakeholders coordinate their actions while being carefully aware of the possible state's intervention, in other words, the existence of the shadow of hierarchy, it is more likely to avoid failures of network. For example, in Germany's environmental policies, an opportunity to self-regulate is prepared for industries before the government initiates regulation. The industries voluntarily develop policies to accomplish goals, while being aware of the threat of initiating hierarchical regulation if the state recognizes that self-regulation does not work well. B. Jessop expresses the nature of modern state as "government + governance in the shadow of hierarchy" (Jessop, 2016). States hold a "shadow of hierarchy" and, by brandishing it, successfully draw out networks' potentials to accomplish public interests.

At present, it is necessary to develop a style of public management in which a hybrid combination of the state and networks functions effectively without contradiction.

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GLOSSARY

Japanese English

Akaji Kokusai Deficit-covering government bond

Akauntabiritei Accountability

Amakudari Golden parachute

Bango Ho Act on the Use of Numbers to Identify a Specific Individual
in Administrative Procedures

Benmei no Kikai no Fuyo Explanations based on writing

Boeisho Ministry of Defense

Boshi Fukushi Ho Act on Welfare of Mothers with Dependents

Bunrigata Separated form

Buryoku Kougeki Jitai Taisho Ho Act on the Peace and Independence
of Japan and Maintenance of the Nation and the People's Security in
Armed Attack Situations

Chiho Kokyo Dantai Local self-government

**Chiho Kokyo Dantai no Buppin Matawa Tokutei Ekimu no Chotatsu
Tetsuzuki no Tokurei wo Sadameru Seirei** Cabinet Order Setting
Forth Special Exceptions to Procedures for Procurement of Goods and
Specific Services by Local Governments

Chiho Bunken Suishin Ho Act on the Promotion of Decentralization

Chiho Dokuritsu Gyosei Hojin Local incorporated administrative
agencies

- Chiho Gikai** Local Assembly
- Chiho Jichi Ho** Local Autonomy Act
- Chiho Jichi Ho Seko Rei** Enforcement Order for the Local Autonomy Act
- Chiho Koei Kigyo** Local Public Enterprise
- Chiho Kofukin** Local allocation tax
- Chiho Komuin Ho** Local Public Service Act(LPSA)
- Chiho Kosha** Local Public Corporation
- Chiho Kyouiku Gyosei no Sosiki Oyobi Unei ni Kansuru Horitsu (Chikyogyo Ho)** Act Concerning the Organization and Management of the Local Educational Administration (LEAA: Local Education Administration Act)
- Chiho Seido Chosakai** Local Government System Research Council
- Chiho Seifu** Local government
- Chihosai** Local bond (Local government bond)
- Chihozei** Local tax
- Chiiki Teate** Regional allowance
- Chiji** Governor
- Chinjo** Appeal
- Chokurei** Imperial ordinance
- Choumon** Hearing
- Chouseigata Kanryo** Coordinator type bureaucrats
- Chouson Gikai** Town and Village Assembly
- Chuo Seifu** Central Government
- Chuo Shocho Kaikaku (Chuo Shocho Tou Kaikaku)** Central ministry reforms/Central Government Reform (Reformation of central ministries and government offices)
- Chuo Shocho Kaikaku Kihon Ho** Basic Act on Central Government Reform
- Dai Nippon Teikoku Kempo** The Constitution of the Empire of Japan
- Daichiji Rinji Gyosei Chosakai** First Provisional Commission for Administrative Reform (FPCAR)
- Dainiji Rinji Gyosei Chosakai (Rincho : Daini Rincho)** Second Provisional Commission for Administrative Reform (SPCAR) (Second PCAR)
- Daisan sector** Third-sector entities
- Daitoshi Chiiki ni Okeru Tokubetsuku no Secchi ni Kansuru Horitsu** Act on the Establishment of Special Districts in Metropolitan Areas
- Danjo Koyo Kikai Kinto Ho** Equal Employment Opportunity Act

- Dejitaru Shakai Keisei Kihon Ho** Basic Act on the Formation of a Digital Society
- Dejitaru Tetsuduki Ho** Digital Procedure Act
- Dejitarucho** Digital Agency
- Dokuritsu Gyosei Hojin** Incorporated Administrative Agencies (IAA)
- Dokuritsu Gyosei Hojin Tou Kojin Joho Hogo Ho** Act on the Protection of Personal Information Held by Incorporated Administrative Agencies, etc.
- Dokuritsu Gyosei Hojin Tsuusoku Ho** Act on General Rules for Incorporated Administrative Agencies
- Dokuritsu Koubunsho Kanrikan** Independent Public Records Management Secretary
- Fukkocho** Reconstruction Agency
- Fukushima Daiichi Genshiryoku Hatsudensho** Fukushima Daiichi Nuclear Power Plant
- Fukushucho** Deputy Chief Executive
- Furieki Shobun** Adverse disposition
- Fusakui** Omission
- Futsuu Chihou Kofuzei** Local allocation tax
- Gaikoku Kawase Oyobi Gaikoku Boueki Kanri Ho** Foreign Exchange and Foreign Trade Control Act
- Gaikyoku** External agency
- Gaimusho** Ministry of Foreign Affairs
- Gaisan Yokyu Kijun** Ceiling for budgetary appropriation request
- Gakubatsu** School clique
- Gensiryoku Kisei Iinkai** Nuclear Regulation Authority
- Gensiryoku Kiseicho** Nuclear Regulation Department
- Gimu Hyojunn Ho** Act on Standardization for Class Size and Fixed Number of Educational Personnel of Public Compulsory Education Schools (CESA: Compulsory Education Standardization Act)
- Gimu Kyoikuhi Kokko Futan Ho** Act on National Treasury's Sharing of Compulsory Education Expenses (ANTSCEE)
- Gyosei Kaikaku Iinkai** Administrative Reform Commission
- Gyosei Kaikaku Taiko** Fundamental Principle of Administrative Reform
- Gyosei Bunsho** Administrative documents
- Gyosei Bunsho Kanri Kisoku** Administrative document management rules and regulations
- Gyosei Bunsho no Kanri ni Kansuru Gaidorain** Guidelines on administrative documents

- Gyosei Busho Fuairu Kanribo** Administrative document file management registers
- Gyoseicho** Administrative agency
- Gyosei Fufuku Shinsa Ho** Administrative Complaint Review Act (ACRA)
- Gyosei Fufuku Shinsakai** Administrative Complaint Review Board
- Gyosei Genryou Kouritsuka** Administrative cutbacks and streamlining
- Gyosei Jiken Soshu Ho** Administrative Case Litigation Act
- Gyosei Kaikaku** Administrative reforms
- Gyosei Kaikaku Kaigi** Administrative Reform Council
- Gyosei Kanricho** Administrative Management Agency
- Gyosei Kanri Kenkyu Center** Institute of Administrative Management (IAM)
- Gyosei Kikan** Administrative organ
- Gyosei Kikan Kojin Joho Hogo Ho** Act on the Protection of Personal Information Held by Administrative Organs
- Gyosei Kikan no Hoyu Suru Denshi Keisanki Shori ni Kakaru Kojin Joho no Hogo ni Kansuru Horitsu** Act on the Protection of Personal Information Electronically Processed and Held by Administrative Organs
- Gyosei Kikan no Hoyu Suru Joho no Koukai ni Kansuru Horitsu** Act on Access to Information Held by Administrative Organs
- Gyosei Shidou** Administrative guidance
- Gyosei Tetsuzuki** Administrative procedure
- Gyosei Tetsuzuki Ho** Administrative Procedure Act (APA)
- Gyosei Tetsuduki ni Okeru Tokuteino Kojin wo Shikibetsu Suru Tame no Bango no Riyo Tou ni Kansuru Horitu (Mai Namba Ho)** Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (My Number Act)
- Habatsu** Factions
- Hanshin Awaji Daishinsai** Great Hanshin-Awaji Earthquake
- Haro Waku (Hello Work)** Public Employment Security Center
- Hashimoto Gyoukaku** Hashimoto's administrative reforms
- Higashi Nihon Daishinsai Fukko Kihon Ho** Basic Act on Reconstruction in Response to the Great East Japan Earthquake
- Higashi Nihon Daishinsai** Great East Japan Earthquake
- Higashi Nihon Daishinsai Fukko Koso Kaigi** Reconstruction Design Council in response to the Great East Japan Earthquake
- Hojin Bunsho** Corporate documents
- Hojokin** Subsidy

- Honebuto no Hoshin** Bold Policy
- Hosei Kyoku** Legislative Bureau
- Hotei Futsuuzei** Statutory ordinary tax
- Hotei Jutaku Jimu** Legally delegated function
- Hotei Mokutekizei** Statutory special-purpose tax
- Houka Banno Shugi** Legalism
- Houteigai Futsuuzei** Non-statutory ordinary tax
- Houteigai Mokutekizei** Non-statutory special-purpose tax
- Houteigaizei** Non-statutory tax
- Houteizei** Statutory tax
- Hyoka** Evaluation
- I Shu Shiken** Level 1 Examination
- Ichibu Jimu Kumiai** Partial-affairs-association
- Ichioku Soukatsuyaku Shakai** Society where all 100 million people play active roles
- Iken Kobo Tetsuzuki** Public comment procedure
- Ikkoku Heiwa Shugi** Unilateral pacifism
- Iriguchi Senbetsu** Entrance sorting
- Jichikai** Neighbourhood Associations
- Jido Fukushi Ho** Child Welfare Act
- Jieitai** Self-Defence Forces (SDF)
- Jieitai Saiba Boueitai** Self-Defense Forces Cyber Defense Unit
- Jimu Jikan** Administrative vice-minister
- Jinjiin** National Personnel Authority (NPA)
- Jinjiin Kisoku** NPA rules
- Jisseki Hyoka** Performance measurement
- Jitai Taisho** Contingency planning
- Jiyu Minshuto** Liberal Democratic Party (LDP)
- Joho Kokai Ho** Act on Access to Information Held by Administrative Organs
- Joho Kokai Jorei** Information Disclosure Bylaw
- Joho Kokai Kojin Joho Shinsakai** Information Disclosure and Personal Information Protection Review Board
- Jokuyushoku Shiken** Senior Class Examination
- Jorei** Ordinance (Bylaws)
- Josei Katsuyaku Suisin Ho** Act on the Promotion of Women's Active Engagement in Professional Life
- Jumin Kihon Daicho Nettowaku Shisutemu** Basic Resident Registers Network

- Juyo Eikyō Jitai Anzen Kakuho Ho** Act on Ensuring Safety in Situations that Have Serious Impacts
- Kagakuteki Jinji Gyōsei** Scientific personnel management
- Kaigo Hoken Ho** Long-Term Care Insurance Act
- Kaikei Kenshin** Board of Audit
- Kake Gakuen Mondai** Kake School scandal
- Kambo** Minister's Secretariat
- Kambu Kouho Ikusei katei** Fostering Courses for Executive Candidates
- Kambu Shokuin Jinji Ichigen Kanri** Centralized management of executive officials
- Kankyocho** Environment Agency
- Kankyosho** Ministry of the Environment
- Kanmin Deta Katsuyo Suishin Kihon Ho** Basic Act on the Advancement of Public and Private Sector Data Utilization
- Kanmin Hikaku** Public-private comparison
- Kanmin Jinzai Koryu Senta** Center for Personnel Interchanges between the Government and Private Entities
- Kanryo Naikakusei** Bureaucratic cabinet system
- Kansai Koiki Rengo** Kansai Regional Union
- Kantei** Prime Minister's official residence
- Kantei Kiki Kanri Senta** Crisis Management Center in the Prime Minister's Official Residence
- Keisatsucho** National Police Agency
- Keizai Zaisei Unei to Kozo Kaikaku ni Kansuru Kihon Hoshin** Fundamental Policy for Structural Reform of Economic and Fiscal Management and Economic Society
- Kempo Fuzoku Ho** Constitution Supplement Statute
- Kensetsu Kokusai** Construction bond
- Kijun Zaisei Juyogaku** Base fiscal demand amount
- Kijun Zaisei Shunyugaku** Base fiscal revenue amount
- Kikakuin** Planning Board
- Kikan Inin Jimu** Agency delegated function (Agency delegated function system)
- Kiki Kanri Senta** Crisis Management Centre
- Kikyaku** Dismissal with prejudice
- Kinkou no Gensoku** Principle of balance (between the national and local governments)
- Kinkyū Enjotai** Emergency Firefighting Assistance Team
- Kinoteki Syukenka** Functional Centralization

- Kisei Eikyo Hyoka** Regulatory impact analysis
- Kisoku** Regulation
- Kochokai** Public Hearing
- Kodomo Kosodate Shien Ho** Child and Child Care Support Act
- Koizumi Kozo Kaikaku** Koizumi's Structural Reforms
- Kojin Joho Hogo Ho** Act on the Protection of Personal Information
- Kojin Joho Hogo Iinkai** Personal Data Protection Commission
- Kojin Shikibetsu Fugo** Personal identification code
- Kokka Komuin Ho** National Public Service Act (NPSA)
- Kokka Komuin Rinri Ho** National Public Service Ethics Act
- Kokka Kouan Iinkai** National Public Safety Commission
- Kokka Komuin Seido Kaikaku Kihon Ho** Basic Act on the Reform of National Public Service System
- Kokka Anzen Hosho Kyoku** National Security Secretariat
- Kokka Gyosei Sosiki Ho** National Government Organization Act (NGOA)
- Kokumin Hogo Ho** Act Concerning the Measures for Protection of the People in Armed Attack Situations
- Kokumin Kenko Hoken Ho** National Health Insurance Act
- Kokumin Nenkin Hoken Ho** National Pension Insurance Act
- Kokuritsu Koubunshokan** National Archives of Japan
- Kokusai** National bond
- Kokusai Shakai Chosa Puroguramu** International Social Survey Programme (ISSP)
- Kokushigata Kanryo** Patriot-type bureaucrats
- Kokyo Sabisu Kaikaku Ho** Basic Act on Reform of National Public Service Systems
- Komuin Seido Chosakai** Public Service Study Committee
- Koto Bunkan Shiken** High Civil Service Examination
- Koubunsho Kanri Iinkai** Public Records and Archives Management Commission
- Koubunshotou no Kanri ni Kansuru Horitsu** Public Records and Archives Management Act
- Koudo Joho Tsuushin Nettowaku Shakai Keisei Kihon Ho** Basic Act on the Formation of an Advanced Information and Telecommunications Network Society
- Kouiki Kinkyu Enjotai** Inter-Prefectural Emergency Rescue Units
- Kouiki Rengo** Wide-area unions
- Kousai Tokurei Ho** Act concerning special measures on public debt

- Kousei Nenkin Hoken Ho** Employees' Pension Insurance Act
- Kousei Torihiki Iinkai** Fair Trade Commission
- Kozo Kaikaku Tokku** Special Zones for Structural Reforms
- Kozo Kyogi** Structural Impediments Initiative
- Kyakka** Dismissal without prejudice
- Kyodo** Co-production
- Kyoiku Iinkai Ho** Board of Education Law (BEL)
- Kyoku Bucho** Director-general
- Kyokucho** Bureau chiefs
- Kyoso no Donyu ni Yoru Koukyou Sabisu no Kaikaku ni Kansuru Horitsu** Act on Reform of Public Services by Introduction of Competitive Bidding
- Kyotsu Seido** Common system
- Kyugo Ho** Act for Welfare for Needy People
- Minshutou** Democratic Party of Japan
- Mombu Kagakusho** Ministry of Education, Culture, Sports, Science and Technology (MEXT)
- Mombusho** Ministry of Education (MOE)
- Moritomo Gakuen Mondai** Moritomo School scandal
- NPM** NPM
- NPO Suishin Ho** Act on Promotion of Specified Non-profit Activities
- Naikaku Ho** Cabinet Act
- Naikaku Hosei Kyoku** Cabinet Legislative Bureau
- Naikaku Jinji Kyoku** Cabinet Bureau of Personnel Affairs (Cabinet Personnel Bureau) (Cabinet Personnel Affairs Bureau)
- Naikaku Kambo** Cabinet Secretariat
- Naikaku Kansensho Kiki Kanri Toukatsucho** Infectious Disease Crisis Management Agency
- Naikaku Kiki Kanrikan** Deputy Chief Cabinet Secretary for Crisis Management
- Naikaku Saiba Sekyuriti Senta** National Center of Incident Readiness and Strategy for Cybersecurity
- Naikaku Kambo Chokan** Chief Cabinet Secretary
- Naimusho** Ministry of Interior
- Naimusho; Jichisho** Ministry of Home Affairs
- Nankai Torahu Jishin** Nankai Trough Earthquake
- Nihon Doro Kodan** Japan Highway Public Corporation
- Nihon Kokuyu Tetsudo** Japanese National Railways (JNR)
- Ninyo** Upholding

- Nippon Koku Kempo** The Constitution of Japan
- ODA Taiko** Official Development Assistance Charter
- Omu Shinrikyo** Omu shinrikyo cult
- Ozonso Hogo Taisaku Suishin Kyogikai** Council for Promoting Ozone Layer Protection Measures
- PFI Sokushin Ho** Act on Promotion of Private Finance Initiative
- PPBS** PPBS
- Purojekuto Bunseki** Project analysis
- Purojekuto Hyoka** Project evaluation
- Rengookoku Saiko Shireikan** Supreme Commander of the Allied Powers (SCAP)
- Renkei Chusu Toshiken** Cooperative core urban region
- Resuonsibiritei** Responsibility
- Riingata Kanryo** Officer-type bureaucrats
- Rinji Gyosei Kaikaku Suishin Shingikai** Provisional Council for the Promotion of Administrative Reform
- Rodo Kijun Ho** Labor Standards Act
- Rodo Kumiai Ho** Trade Union Act
- Rodosha Nenkin Hoken Ho** Workers' Pension Insurance Act
- Rojin Fukushi Ho** Elderly Welfare Act
- Rojin Hoken Ho** Elderly Health Care Act
- Saiba Sekyuriti Kihon Ho** Basic Act on Cybersecurity
- Saichosa no Seikyu** Request for re-investigation
- Saigai Haken Iryo Timu** Emergency Medical Assistance Team (DMAT)
- Saigai Taisaku Kihon Ho** Basic Act on Disaster Management
- Saiketsu** Determination
- Saishinsa Seikyu** Request for re-examination
- Saishusyoku Tou Kanshi Inkai** Re-Employment Monitoring Committee
- Sakura wo Mirukai** Cherry blossom-viewing party
- Sankonin** Witness
- Sanmi Ittai Kaikaku (Sanmi Ittai no Kaikaku)** Trinity of reforms (Trinity of reforms on local finance)
- Seido Shinrai** Trust in systems
- Seifu Gengyo** Government Enterprise
- Seigan** Petition
- Seiji Shudo** Political initiative
- Seikatsu Konkyusha Jiritu Shien Ho** Act for Supporting the Self-Reliance of Needy Persons

- Seimu Chosakai** Policy Affairs Research Council (PARC)
- Seirei** Government Ordinance (Cabinet orders)
- Seirei Shitei Toshi** Government-designated city (designated cities)
- Seisaku Hyoka** Policy evaluation
- Seisaku Hyoka Ho** Policy Evaluation Act
- Seishin Hakujakusha Fukushi Ho** Mental Retardation Welfare Act
- Sekai Kachikan Chosa** World Values Survey
- Senkyo Kanri Inkai** Election Administration Commissions
- Senryo Kokugun Soshireibu (Soshireibu)** General Headquarters for the Allied Forces/General Headquarter, the Supreme Commander for the Allied Powers (GHQ) (GHQ/SCAP)
- Shakai Fukushi Ho** Social Welfare Act
- Shakai Hokencho** Social Insurance Agency
- Shichouson** Municipalities
- Shichouson no Gappei no tokurei Tou ni Kansuru Horitsu** Act on Special Provisions of the Merger of Municipalities
- Shigikai** City Council
- Shimin Shakai Soshiki** Civil Society Organisations (CSOs)
- Shinchiho Gyokaku Shishin** New Local Administrative Reform Guidelines
- Shingikai** Council
- Shinriin** Review officer
- Shinsa Seikyu** Request for review
- Shinsa Seikyunin** Requestor for review
- Shinsacho** Review agency
- Shinsei ni Motozuku Shobun** Dispositions upon application
- Shinshin Shogaisha Taisaku Kihon Ho** Basic Act for Measures against Mental and Physical Disorders
- Shintai Shogaisha Fukushi Ho** Physical Disability Welfare Act
- Shishin** Guideline
- Shitei Kanrisha Seido** Designated Management System/Designated Manager System (DMS)
- Shitei Toshi** Designated city
- Shiteki Dokusen no Kinshi Oyobi Kosei Torihiki no Kakuho ni Kansuru Horitsu** Act on Prohibition of Private Monopolization and Maintenance of Fair Trade
- Shobun (Gyosei Shobun)** Disposition (administrative disposition)
- Shobuncho Tou** Administrative agency, etc., reaching disposition
- Shobun Tou** Disposition, etc.

- Shokkaisei** Job classifications system
- Shokuin Kenko Hoken Ho** Health Insurance Act for White-Collar Workers
- Shoshou Jimu** Administrative Affairs under the Jurisdiction of the Ministry
- Shouboucho** Fire and Disaster Management Agency
- Shougaisha Kihon Ho** Basic Act for Disability
- Shourei** Ministerial Ordinance
- Shucho** Chief executive
- Shuchu Kaikaku Puran** Intensive reform plans
- Shusho Kantei : Sorifu** Prime Minister's Office
- Shuto Chokka Jisin** Earthquake directly under the Tokyo area
- Sogo Hyoka** Comprehensive evaluation
- Sogokucho** General Wardens
- Sogoshoku Shiken** Comprehensive Position Examination
- Somusho** Ministry of Internal Affairs and Communications (MIC)
- Soteiin Ho** Act on Limitation on Number of Personnel of Administrative Organs / Total Staff Number Act (TSNA)
- Taijin Shinrai** Interpersonal trust
- Teinen** Mandatory retirement age
- Teinen Hikiage** Raising the mandatory retirement age
- Teiju Jiritsuken** Settlement and independence region
- Tekikakusei Shinsa** Screening (the candidates for executive positions)
- Tenno no Kanri** Officials of the Emperor
- Todokede** Notification
- Todoufuken** Prefectures
- Tokei Ho** Statistics Act
- Tokubetsu Chiho Koufuzei** Special local allocation tax
- Tokubetsuku** Special ward
- Tokushu Hojin** Public Corporation
- Tokushu Kaisha** Special Company
- Tokutei Furon Shiyo Gorika Suishin Kyogikai** Council for Promotion of Rationalizing the Use of Specific CFCs
- Tokutei Himitsu Hogo Ho** Act on the Protection of Specially Designated Secrets
- Tokutei Rekishi Koubunsho Tou** Specific historical archives, etc.
- Tokutei Hieiri Katsudou Sokushin Ho** Act on Promotion of Specified Non-profit Activities
- Tokyo Denryoku** Tokyo Electric Power Company (TEPCO)

- Tokyo-To** Tokyo Metropolitan Government
Tomodachi Sakusen Operation Tomodachi
Tsuuchi Notice
Tsuusho Sangyosho Ministry of International Trade and Industry
Yosan Kanren Ho Legislation reviews budget-related law / Budget-related bill
Yosan no Yui Primacy of the budget
Youko Outline
Youryo Summary
Yugogata Interfused form
Yukosei Effectiveness
Yusei Kosha Japan Post
Yusei Mineika Privatization of Postal Services
Zaimusho Shukeikyoku Ministry of Finance's Budget Bureau
Zaisei Iten Fiscal transfer
Zantei Yosan Stopgap budget
Zenkoku Chijikai National Governors' Association
Zenzo Shugi Incrementalism
Zonpi Oto Kyohi Refusal to respond to existence

INDEX¹

A

Ability and performance management, 295, 303, 307, 311

Accountability, 13, 14, 86, 91, 168, 169, 175, 272, 315, 316, 318–323, 325, 327–330

Act concerning special measures on public debt, 204

Act for the Establishment of the Ministry, 20

Act on Access to Information Held by Administrative Organs (AAIHAO), 11, 154, 167–172, 179n5, 180n7, 180n8, 227, 229, 232, 264, 282, 321, 400

Act on General Rules for Incorporated Administrative Agencies, 392

Act on Limitation on Number of Personnel of Administrative Organs, 389, 392

Act on National Treasury's Sharing of Compulsory Education Expenses (ANTSCEE), 43, 98, 100, 101

Act on Promotion of Private Finance Initiative, 393

Act on Promotion of Specified Non-profit Activities, 267, 400

Act on Reform of Public Services by Introduction of Competitive Bidding, 395

Act on the Organization and Operation of the Local Educational Administration (LEAA), 100, 103, 106, 107

Act on the Promotion of Decentralization, 46, 400

Act on the Protection of Personal Information (APPI), 11, 167–169, 172–174, 232

¹Note: Page numbers followed by 'n' refer to notes.

Administrative affairs under the jurisdiction of the ministry, 20
 Administrative agency, 110n3, 126, 168, 169, 172, 175–178, 200n4
 Administrative Case Litigation Act (ACLA), 174, 176
 Administrative Complaint Review Act (ACRA), 11, 167, 168, 174, 176–178
 Administrative Complaint Review Board, 178
 Administrative Evaluation Bureau, 318
 Administrative guidance, 65, 68, 175, 176, 399
 Administrative Management Agency, 60, 389
 Administrative organ, 11, 168–174, 176, 178, 179, 179n4, 180n5, 180n11
 Administrative procedure, v, 11, 167–179, 285, 286, 289, 291, 316, 381, 401
 Administrative Procedure Act (APA), 11, 85, 167, 168, 172, 174–176, 227, 231, 269, 389, 399
 Administrative Reform Council, 21, 85, 158, 238, 321, 391, 394
 Administrative reforms, vi, 8, 12, 27, 45, 82–85, 143, 225–243, 248, 250–257, 259, 320, 323, 333, 374, 388–393, 398, 399
 Administrative state, 8, 17–24, 29–31, 55, 57–58
 Agency delegated (delegation) function, 4, 39, 42–44, 46, 47, 139, 140
 Aging population, 10, 50, 114
 Agricultural policies, 141, 142, 145
Amakudari (reemployment), 154, 251, 306–307, 310, 311
 Angel Plan, 144

Areas affected by the nuclear disaster, 360, 362, 364
 Armed attack situations, 336–338
 Attribute factors, 374

B

Base fiscal demand amount, 219, 220
 Base fiscal revenue amount, 219–220
 Basic Act for Disability, 139
 Basic Act on Central Government Reform, 238, 255, 321, 391, 392
 Basic Act on Disaster Management, 50, 122, 341, 347, 352, 358, 398
 Basic Act on Reform of the National Public Officials' System (Basic Act), 196, 321, 359, 398
 Basic Guidelines for Reconstruction in Response to the Great East Japan Earthquake, 360
 Basic local governments, 10, 117, 118, 339
 Basic pension, 138, 143
 Blue-collar civil servants, 194
 Board of Audit, 171, 212–213
 Board of education
 municipal, 9, 95, 96, 100, 102–104, 107
 prefectural, 5, 9, 96, 99, 100, 103–105, 107
 Board of Education Law (BEL), 5, 100, 103
 Bold Policy, 393
 Bouckaert, G., 228, 229, 239, 397, 398
 Budget-related bill, 211
 Bureaucratic cabinet system, 149

C

Cabinet, 8, 9, 12, 18–20, 24, 27–30, 31n7, 36, 46, 60, 63, 73, 74, 76–79, 81–83, 86–90, 123, 143,

- 149, 150, 152, 155, 156, 160, 171, 184, 192, 195, 204, 208, 210, 212, 213, 227, 228, 231, 234, 237, 241, 242, 254, 297, 307, 312n2, 333, 335, 347, 357, 358, 388, 389, 391–393, 398
- Cabinet Bureau of Personnel Affairs (CBPA), 27, 196, 306, 398, 399
- Cabinet Office (CO), 8, 9, 18, 20–23, 27, 29, 31n1, 31n2, 31n7, 73, 74, 87, 88, 90, 155, 168, 180n6, 253, 254, 283, 284, 291n1, 312n4, 342, 398
- Cabinet Personnel Affairs Bureau, 88, 89
- Cabinet Personnel Bureau, 151, 158
- Cabinet policy council, 76
- Cabinet Secretariat, 9, 27–29, 31n7, 73, 74, 81, 83, 86–88, 90, 151, 155, 158, 162, 163, 196, 284, 335–337, 346, 347, 391, 398
- Capabilities, 97, 195, 227, 228, 299, 340, 343, 374, 379
- Career (officials), 299–302, 304, 306
- Ceiling for budgetary appropriation request, 205–206, 209–211
- Central Government Reform, 227, 238, 239
- Centralized management of executive officials, 305–306
- Chief Cabinet Secretary, 27, 29, 151, 158, 160, 196, 242, 306
- Citizen factors, 15, 374, 383
- Civil Service Commission, US, 184
- Civil service reform, 11, 59, 184
- Civil society organizations (CSOs), 13, 263, 264, 267–270, 272, 273
- Clientelism, 44
- Collaborative relationship, 150, 151, 156, 162
- Community-based integrated care systems, 401
- Community Comprehensive Support Centre, 144
- Complementary relationship, 96, 107
complementary intergovernmental relationship, 98, 100, 101, 107, 108
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), 62
- Compulsory Competitive Tendering, 396
- The Constitution of Japan, 4, 19, 24, 25, 41, 59, 60, 79, 82, 114–115, 161, 273n1, 343
- Constitution supplement statute, 19, 25
- Construction bond, 204, 216
- Coordinator-type bureaucrats, 153
- Co-production, 13, 263–273
- Core city, 36, 107, 120, 122
- Corruption, 84, 154, 168, 317, 377, 381
- Courses of study, 99, 102, 107, 109
- COVID-19, 9, 30–31, 50, 74, 90, 91, 114, 123, 129, 197, 309, 323, 335, 346–348
- Covid-19 pandemic, 30–31, 50, 91
- Crisis management, vi, 8, 14, 50, 87, 333–349, 379, 398
- Cyberattacks, 335, 345–346, 348
- D**
- Decentralization reform, 7, 8, 10, 35, 45–50, 84–85, 99, 105, 113, 116, 118, 215, 216
- Deficit-covering government bond, 204, 211
- Democratic Party of Japan (DPJ), 89, 155, 196, 209, 307
- Depopulation, 10, 51, 114
- Deputy Chief Cabinet Secretary, 29, 87, 158, 338, 339, 342

Designated city system, 119–120
 Designated Management (Manager System (DMS), 13, 257–259, 395, 397, 399
 Digital Agency, 9, 74, 90, 284–286, 291n9, 401
 Digital transformation (DX), vi, 8, 13, 86, 228, 277–291, 377
 Digital-Era Governance, 401
 Digitisation, 13, 278, 279, 283, 286–287, 289, 290
 Direct democracy, 13, 264–267, 272
 Disaster Medical Assistance Team (DMAT), 340, 353, 356
 Disparity
 educational, 96, 100, 105, 107–109
 geographic, 100, 101, 105, 108
 Disposition, 124, 127, 168, 174–178, 297
 administrative, 168, 175
 Distrust, 184, 302, 369, 377, 391

E

Earthquakes, 14, 15, 122, 129, 334, 338, 340–342, 348, 351, 353–358, 361, 364–366
 Education branch, 103–105, 107
 Elderly Healthcare Act, 136
 Electronic government, 280, 401
 Emergency Firefighting Assistance Team, 353, 356
 Emergency Medical Assistance Team (DMAT), 340, 353, 356
 Emergency situations, 323, 336, 338, 345, 346, 358, 398
 Emperor's officials, 183
 Employment regime, 10, 141, 142, 145–147
 Entrance-sorting system, 299, 300
 Executive pluralism, 124

F

First Provisional Commission for Administrative Reform (FPCAR), 388–390, 399
 Fiscal transfer, 47, 215, 217–220
 Fixed-term employee, 189
 Formative evaluation, 317
 Fostering Courses for Executive Candidates, 304
 From ex ante regulation to ex post facto checks, 85
 Fukushima, vi, 8, 14, 351–366
 Fukushima Daiichi Nuclear Power Plant, 334, 342, 355–358
 Functional centralization, 40–41, 43
 Fundamental labor rights, 189, 191, 192

G

General Agreement on Tariff and Trade (GATT), 61
 General Council, 153
 General Headquarters and Supreme Commander for the Allied Powers (GHQ), 4, 5, 9, 19, 21, 41, 42, 56, 59, 60, 99–101, 108, 115, 297
 General position, 186, 187
 Gold Plan, 144
 Government enterprise, 196, 199n2, 248, 249, 255, 258
 Government ordinance-designated city, 36, 45
 Government Policy Evaluation Act, 323
 Great East Japan Earthquake, 8, 9, 14, 50, 74, 90, 91n4, 122, 192, 260n9, 334, 340, 342, 351–366
 Great Hanshin-Awaji Earthquake, 267, 334, 340, 341, 351, 353, 354, 357, 361, 379
 Great Hanshin Earthquake, 398, 400

H

Habatsu (factions), 150
 Hashimoto's administrative reforms,
 27, 390–393
 Health insurance, 133–138, 141–143,
 146, 288, 290
 Hoover, Blain, 59, 184

I

Incorporated Administrative Agency
 (IAA), 12, 121, 170–173, 180n8,
 228, 229, 232, 234, 237–239,
 248, 253, 254, 256, 259, 260n8,
 260n11, 321–323, 326, 327,
 391–392, 395, 397, 399
 Incrementalism, 206
 Independent administrative
 corporation, 196, 200n4
 Information disclosure, 76, 169–172,
 234, 264, 327, 400
 Initiative, 12, 14, 65, 102, 123, 147,
 150, 192, 221, 228, 231, 234, 240,
 241, 264, 267, 270, 272, 273, 280,
 285, 310, 329, 359, 396, 400
 Interfused form of a decentralized
 system, 60
 Interfusion, 6, 8, 37, 38, 161,
 263, 339
 Interfusion-type, 3, 96, 98, 99, 108,
 359, 378
 International Monetary Fund (IMF), 60
 International Telegraph Union
 (ITU), 56
 Interpersonal trust, 370, 374
 Iron grid effect, 74

J

Japanese National Railways (JNR),
 187, 235–237, 250, 252, 259n3,
 259n4, 259n5, 260n6, 390

Japan Evaluation Society (JES),
 326, 327
 Japan Highway Public Corporation,
 237, 250, 393, 395
 Job-classification, 14, 59, 184, 185
 Job-classification system, 59,
 69, 295–312

K

Kantei bureaucrats, 150, 155, 156
Kantei (Prime Minister's Office), 150,
 155, 156, 398
 Koizumi's Structural
 Reforms, 393–396

L

Labor-management negotiations,
 191, 192
 Labor Standards Act, 189, 194
 Legally delegated functions, 139, 140
 Legislation reviews budget-related
 law, 205
 Legislative Bureau, 77, 83
 Level I examination, 190
 Liberal Democratic Party (LDP), 26,
 31n5, 31n7, 44–45, 82, 84, 88,
 91, 143, 145, 150, 152–156,
 185, 196, 208, 209, 238, 242,
 254, 302, 307, 388–390, 393,
 394, 399, 400
 Local administrative reforms, 233–235
 Local allocation tax, 44, 46, 47, 114,
 215, 218–221
 Local assembly, 41, 125–126, 222,
 264, 270–272
 Local Autonomy Act, 4, 36, 41, 46,
 64, 67, 68, 114–117, 119–121,
 123–125, 217, 265, 270, 271,
 395, 400
 Local bonds, 216–217

- Local fiscal plan, 221
- Local government, v, 3, 6, 8, 10, 12–15, 30, 35–51, 60, 63, 64, 66–68, 70, 76–78, 85, 86, 90, 95, 96, 98, 103–105, 109n2, 113–129, 135, 136, 139–142, 144, 146, 147, 161, 162, 171–173, 175, 178, 188, 194, 197–199, 213–223, 228, 233–235, 239–242, 247, 248, 250, 251, 253, 256–259, 259n3, 263–272, 273n2, 274n4, 274n5, 282, 286, 292n12, 297–299, 301, 302, 306–308, 310, 311, 323, 333, 335, 339, 340, 345, 348, 349, 352, 353, 358, 359, 361, 377–379, 387, 393, 395–397, 400, 401
- Local government bond, 215
- Local independent corporation system, 395
- Local Public Service Act (LPSA), 125, 185, 194, 297, 301
- Local tax, 39, 42, 43, 46, 47, 113, 125, 126, 214–216, 221
- Long-Term Care Insurance Act, 136, 144, 145
- M**
- Managerialism, 388, 396
- Mandatory retirement, 194, 300, 309–311
- Media contact, 15, 374, 377
- Meiji Restoration, 1–3, 38, 55, 77, 97, 138, 352
- Merit-based principle, 184
- Ministry of Education (MOE), 9, 22, 86, 95–100, 103, 105, 109n1, 255, 260n10
- Ministry of Education, Culture, Sports, Science and Technology (MEXT), 22, 96, 106–108, 109n1, 255
- reorganized the MOE, 109n1
- Ministry of Finance (MOF), 20, 22, 31n6, 60, 78, 79, 81, 83, 85, 86, 88, 89, 204–209, 250, 251
- Ministry of Finance's Budget Bureau, 204
- Ministry of Home Affairs, 42, 67, 68, 70, 78, 79, 81, 86, 185, 234, 302
- Ministry of Interior, 4, 5, 57, 60
- Ministry of Internal Affairs and Communications (MIC/MIAC), vi, 22, 48, 86, 162, 172, 178, 215, 234, 242, 264, 265, 268–270, 273n2, 274n5, 284, 286, 288, 292n12, 302, 307, 308, 318, 324, 325, 329, 339, 374
- Mixed-member majoritarian vote (MMM), 145, 146
- Monitoring, 89, 90, 173, 260n11, 270, 272, 285, 289, 290, 317, 326, 328, 342, 397
- Montreal Protocol, 64–65, 69
- Multi-level governance, 12, 56, 59, 63, 228, 240–243
- Municipal mergers, 43, 46, 51, 51n3, 51n4, 51n5, 240–243
- Municipalisation/
re-municipalisation, 247–259
- N**
- National Association of Mayors, 366
- National bond, 214–215
- National Government Organization Act (NGOA), 20, 31n1, 76, 77, 83, 226, 231, 239
- National Governors' Association, 359
- National Health Insurance Act, 134
- National Personnel Authority (NPA), 59, 81, 90, 157, 184, 185, 187,

- 189, 191–194, 196, 200n8, 226,
297, 298, 305, 306, 309, 312n3
- National Public Safety
Commission, 74, 81
- National Public Service Act (NPSA),
26, 27, 156, 157, 185, 189, 190,
192, 200n3, 297, 301, 304,
305, 312n3
- National Public Service Ethics Act,
154, 193, 196, 302
- Natural disasters, 14, 122, 197, 288,
335, 336, 338–342, 348, 349,
351, 353
- Neighbourhood associations, 263,
264, 268, 273
- Neo-liberalism/Neoliberalism, 235–237,
253, 388, 390, 396, 397
- Neo-Weberian State (NWS), 15, 225,
239, 387, 397–399, 401, 402
- New infectious disease, 14, 51, 335,
340, 346–347, 349
- New Public Governance (NPG), 15,
225, 387, 398–402
- New Public Management (NPM), vi,
12, 14, 15, 187, 225, 229, 232,
237–240, 254, 269, 315, 316,
318, 322–324, 326, 328,
381, 387–402
- New social risks, 146
- Non-statutory ordinary tax, 215, 216
- Non-statutory special-purpose tax, 216
- Non-statutory tax, 215–217
- NPM reforms, 12, 229, 232,
237–240, 381, 387–397, 400
- NPO corporation, 400
- Nuclear accident, 14, 15, 336,
342, 351–366
- O**
- Officer-type bureaucrats, 162
- Officials of the Emperor*, 296, 297, 299
- Omu shinrikyo cult, 334
- Operation Tomodachi, 356
- Ordinance, 3, 21, 59, 120, 125–127,
138, 161, 171, 172, 175, 194,
269, 282–285, 297, 301, 347,
370, 381, 395, 400
- Osborne, S. P., 234, 398
- Outcome evaluation, 316, 329
- Overwork, 11, 309
- P**
- Parliamentary cabinet system, 24, 28,
29, 82, 149, 184
- Part-time employee, 189, 198
- Patriot-type bureaucrats, 153
- Peace of mind factors, 374, 376, 383
- Pension, 30, 47, 113, 133, 138, 139,
141–143, 146, 192, 193, 250,
251, 370
- Performance measurement, 318,
322–324, 326, 328
- Personnel evaluation, 14, 157, 195,
295, 299–301, 303–306,
308, 311
- Plan Do Check Action (PDCA), 317
- Police's Inter-Prefectural Emergency
Rescue Units, 353, 356
- Police system, 5, 57, 58
- Policy Affairs Research Council
(PARC), 153, 155
- Policy communities, 399
- Policy performance, 15, 371
- Political activities, 157, 158, 194, 297
- Political appointments, 10, 150, 151,
156–163, 184
- Political bureaucrats, 78, 151,
154, 155
- Political leadership, v, 73, 86, 91, 154,
156, 197, 295, 302, 303, 306,
312, 334, 391, 399
- Political neutrality, 106, 124, 162,
297, 305
- Politicisation, 160

- Pollit and Bouckaert model, 229
 Pollitt, C., 228, 239, 388, 397, 398
 Postal service, 58, 184, 187, 229, 230, 237, 248, 255, 256, 393–395
 Prefecture-funded system for school teachers and staff, 100, 102, 107
 Primacy of the budget, 209, 211
 Prime minister's leadership, 8, 18, 23–26, 28–30, 31n7, 88, 195
 Prime Minister's Office, 10, 21, 29, 31n6, 74, 83, 85, 87, 150, 152, 155, 160, 197, 303, 305, 306, 310, 338, 342, 353, 357
 Prime Minister-centric political leadership, 334
 Prime ministerial executive, 155
 Prime Minister's official residence, 79, 87, 338, 398
 Principal-agent relationship, 25, 157
 Principle of balance, 298, 301, 302
 between national and local governments, 298
 Principle of divided management
 among the ministries, 335
 Private Finance Initiative (PFI), 228, 232, 234, 235, 326, 392–393, 396, 397, 399
 Privatisation, 8, 143, 247–259
 Privatization of postal services, 230, 394–395
 Process evaluation, 317, 320, 329
 Professional ethics, 15, 371, 376, 378, 379, 383
 Program accountability, 320
 Provisional Commission for
 Administrative Reform, 187, 388–389
 Public administration factors, 374, 383
 Public assistance, 139, 140, 142
 Public comments, 175, 180n12, 269, 270, 272
 Public corporation, 12, 236, 247–259, 259n3, 259n5, 394
 Public-private comparison, 298, 304
 Public Records and Archives Management Act (PRAMA), 11, 89, 167–170, 180n6, 282
- Q**
 Quasi-market system, 144
- R**
 Recall, 264–266, 273n1, 273n2, 273n3
 Rechtsstaat school, 226
 Reconstruction Agency, 9, 74, 90, 342, 358, 360, 361, 363
 Reconstruction Design Council in response to the Great East Japan Earthquake, 358
 Reconstruction plan, 360–361
 Referendum, 120, 241, 264–267, 273n1
 Regular (non-regular) employee, 11, 189, 190, 193, 196, 198, 199
 Remote self-governing bodies, 122, 123
 Request for review, 174, 177, 178, 200n8
 Responsibility, 60, 78, 91, 106, 139, 184, 185, 189, 193, 199, 284, 297, 298, 304, 318, 319, 321, 324, 330, 339, 345, 352, 358, 359, 379, 392, 397
- S**
 Safety and water for free, 334
 Scientific personnel management, 59, 297–298
 Scrap and build rule, 392

- Second Provisional Commission for Administrative Reform (SPCAR) (Rincho), 171, 187, 252, 389–390
- Security, 13, 14, 81, 87, 88, 134, 135, 137, 139, 141, 142, 145, 171, 174, 197, 278, 279, 284, 289, 290, 324, 335, 340, 343–346, 348, 349, 366n1, 370, 371, 380, 381, 383
- Senior Class Examination, 184
- Seniority, 14, 141, 145, 295, 300, 301, 303, 307, 311
- Separation, 8, 37, 38, 51, 60, 115, 162, 238, 378, 392
- Servants of the whole community, 59, 183, 191, 297
- Service Remuneration Act, 189
- Shadow of hierarchy, 402
- Sharing data, 13, 278, 279, 281, 283–284, 287–288, 290
- Single non-transferable vote (SNTV), 145
- Six major associations on local government, 123
- Small government, 11, 184, 186, 198, 199, 248–251, 259
- Social capital factors, 374
- Sontaku* (reading between the lines), 160
- Special company, 12, 247, 249, 250, 258
- Special corporations, 228, 389, 392
- Special Exceptions to Procedure for the Procurement of Goods and Services by Local Governments, 67
- Special local allocation tax, 218
- Special position, 186, 189, 199n3
- Special Zones for Structural Reforms, 400
- Standardisation, 278, 279, 282–283, 285, 286, 289
- Standard tax rate, 220
- Statutory ordinary tax, 215, 220
- Statutory special-purpose tax, 215
- Statutory tax, 215
- Stopgap budget, 204
- Structural reforms without a sanctuary, 393
- Structure of trust, 369–383
- Subsidy, 26, 40, 44–47, 98, 139–141, 215, 217–218, 220, 221, 361, 363, 390, 391, 393
- T**
- Teacher transfer, 103–105, 107
- Tender bidding, 395–396
- Tokyo Electric Power Company (TEPCO), 334, 342, 355
- Total Staff Number Act (TSNA), 187, 189, 190, 227
- Trade Union Act, 189
- Trinity of reforms, 218, 220–221, 243
- Trust-building factors, 15, 371, 374, 376, 383
- Trust in systems, 370, 374, 383
- Trustworthiness, 370
- Tsunami, 14, 260n9, 334, 342, 348, 354–357, 361, 364, 365
- Two-tier system, 10, 35, 116, 117
two-tier prefectural-municipal system, 45
- Typhoons, 334, 340, 341, 351–353, 366
- U**
- Unequal treaties, 2, 3, 9, 55, 57, 58
- Unilateral pacifism, 344
- Universal health insurance, 135, 142
- Universal pension, 138
- Universal Postal Union (UPU), 56, 58
- UN peacekeeping operations, 344
- US-Japan Structural Impediments Initiative, 61, 62, 232

V

Vienna Convention, 9, 64–65, 69

W

Welfare through work, 141–143

Westminster model, 28–29

Wide-area local governments, 35,
117, 119

Working Hours and Leaves Act, 189

World Trade Organization (WTO),
62, 66, 68

WTO Agreement on Government
Procurement, 9, 65–68, 70