# Chapter 16 Changing Local Government System in Japan: "Unfinished" Decentralization Reform and Local Revitalization

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### **ABSTRACT**

As Japanese society has already entered on the phase of historically first rapid and big decline of population and unprecedented aging society. Japanese governments, both central and local, started to propose varieties of policies for local revitalization along with local governmental reform and reorganization. This chapter aims firstly to explain the historical background and structure of local government system in Japan, next to examine the varieties of recent reforms putting impact on local government system, such as decentralization reform, structural reform and so on, and then to consider how to tackle with many challenging problems in the age of aging, shrinking population society.

### INTRODUCTION

The local government system in Japan is facing a very important turning point. Twenty years have passed since decentralization reform started. Some local governments have tried to tackle innovative policies and have succeeded in improving the welfare of their residents and their regions, utilizing results already attained by reform, while the remaining majority cannot capitalize on them fully. Indeed, the initial criticism is often made that decentralization reform itself is still not yet completed. However, as Japanese society has already entered the phase of a historically rapid and large decline of population and an aging society without precedent, it is inevitable to that comprehensive reforms, including decentralization and reform of the local government system, will be undertaken and accelerated.

DOI: 10.4018/978-1-5225-0317-0.ch016

This chapter aims first to explain the historical background and structure of the local government system in Japan, next to examine the varieties of recent reforms that have had an impact on the local government system, such as decentralization reform, structural reform, and so on, and then to consider how to tackle the many challenging problems of an aging society with a shrinking population.

# THE HISTORICAL BACKGROUND OF THE JAPANESE LOCAL GOVERNMENT SYSTEM

Three major periods of reform have been identified in the history of the modern local government system in Japan. Early in the Meiji era, Japan, the first constitutional state in Asia, had rapidly formed the basic structure of the modern local system, along with building up the modern state in order to stabilize domestic affairs and to build an equal relationship with the allied western powers, realizing the reform of the unequal treaties. These series of reforms are collectively referred to as "the First Reform." "The Second Reform" was the Post-War Reform led by occupation forces to realize democratization and decentralization after World War II. "The Third Reform" has consisted of decentralization reform accompanied by other political and administrative reforms since the end of the 1990s.

The first part of this chapter describes briefly the historical background of the Japanese local government system, including the first two "Reforms" and related matters.

### The Origin of the Modern Local Government System in Japan

The modern local government system in Japan had gradually taken shape through a series of reforms after the Meiji Restoration of 1868. The Meiji Restoration was a kind of revolution by the Tokugawa Shogunate to put an end to the feudal regime, which ruled over its own territory and other warlords (*Daimyo*), who were also rulers of their respective fiefs (Kamiko, 2010, p. 1). In order to seize political power and secure governability, the Meiji Government struggled to establish the centralized system. One of the most prominent measures adopted by the Meiji Government, the *Hanseki-Hokan* of 1869, urged warlords to return their fiefs and people to the Emperor. Another crucial measure was the *Haihan-Chiken* of 1871, which abolished fiefs and established prefectures. What was especially important was that the governors at the time, formerly feudal warlords, were dismissed and replaced by bureaucrats appointed by the central government, who were responsible for local administration (Kamiko, 2010, p. 2).

The legislative framework around local institutions had been completed approximately at the time the Meiji Constitution was established in 1889, because the government gave priority to the establishment of a new local government system over the establishment of a new national government system stipulated by the Constitution. The Meiji Government took great effort to research local government systems in several Western countries and drafted a number of plans for a system (Kamiko, 2011, p. 1–2). As a result of these efforts, the City Law and the Town and Village Law were promulgated in 1888, and the Prefecture Law and the County Law in 1891. Toward the end of the Meiji Era (1868–1912), these laws were fully implemented, and the formation of the modern local government system was thought to be complete.

Together with the development of the national economy and the advance of urbanization after the mid-Meiji era, such functions of local governments as education, deforestation and flood control work, public health, water supply and sewage, labor and social welfare, and so on rapidly increased. From the 1910s to the 1920s, several reforms were undertaken to expand local autonomy such as reducing

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