

Decentralization and Urban Governance: Reforming Tokyo Metropolitan Government

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The rise of mega-cities has been accompanied by a concern over how to govern city-regions in a way that is both democratic and effective. One issue is how to structure local and regional government to ensure effective metropolitan planning, coordination, and development. A second issue is how to organize the delivery of public services in a way that is efficient, accountable and equitable. A third issue is how to develop civil society and ensure that local and regional governments fulfill democratic aspirations. Of course, the very meaning of these concepts is shaped by local and national political cultures so that the answers in one community and nation may vary dramatically from another.

In this paper, I examine the case of Tokyo Metropolitan Government (TMG) revealing both the successes and challenges of metropolitan governance in the twenty-first century.¹ Reforms are underway in Japan and Tokyo to devolve authority to local governments. At the same time, central government administrative reforms and decentralization policies may significantly alter the intergovernmental system. One lesson emerging from the study of Tokyo Metropolitan Government is that institutional reorganization and boundary adjustment are no longer sufficient or practical solutions to the challenge of metropolitan governance given the scale of urbanization. Greater attention must be focused on how to better structure the intergovernmental system to foster needed cooperation and coordination and on how to bolster local autonomy, capacity and initiative.

JAPANESE URBANIZATION AND THE TOKYO PROBLEM

The earliest Japanese cities were founded as national capitals or to provide political-administrative and military functions.² Most Japanese cities trace their roots to feudal origins, many beginning as Castle Towns that developed in the 15th and 16th centuries. Other specialized cities rose as post-station towns (serving travelers along the main roads from the capital Edo), religious towns (serving pilgrims traveling to shrines and temples), trading and market towns at seaports, and hot spring towns.³

Karan⁴ identifies four stages of urbanization in modern Japan. The first covering the Meiji era (1868-1912) is associated with early industrialization and decline in agricultural production. The number of workers engaged in rural production declined to about 50 percent. The proportion of population living in cities of 50,000 or more doubled from 8 to 16 percent.⁵

In the second stage, (1930-50), population continued to flock to cities and agricultural production continued to decline. In this period, the modern Japanese metropolis developed. By 1940, just under a third of the population lived in cities. Four cities had more than a million people (Tokyo, Osaka, Kyoto, and Nagoya) and there were 45 cities with more than 100,000 persons compared to only 15 cities in 1920. World War II led to some reversal as the share of population in cities declined to about one-fourth of the population and the larger cities lost significant population. For example, Tokyo lost 1.2 million residents and Osaka 1.1 million.⁶

The third stage of urbanization from 1950 to 1970 is characterized by rapid urban migration and economic expansion. By 1970, 72 percent of the population lived in urban areas and less than one-fourth was still engaged in the rural economy. Six cities now had more than a million persons (Tokyo, Osaka, Kyoto, Nagoya, Yokohama, and Kobe) and 150 cities had more than 100,000 persons. Although city population peaked in some of the cities such as Tokyo in the early 1960s, population growth spread throughout the surrounding areas.⁷ Rural areas experienced significant population loss. As many as 30 million people relocated in this period.⁸

The fourth and current stage of urbanization, after 1970, is associated with the rise of a post-industrial economy and accelerated metropolitan growth. More than three-fourths of the population now lives in urban areas and only 10 percent are still working in the rural economy. Another four cities attained the million person threshold (Kitakyushu, Sapporo,

Kawasaki and Fukuoka) bringing the total to ten. More than 209 cities held 100,000 or more persons. A few cities—Tokyo, Osaka, and Kitakyushu—actually lost a small portion of their population in the 1980s. However, overall urbanization reached a new scale with six of the major metropolitan areas fusing together to form the “Japanese megalopolis” along a single axis—Tokyo-Yokohama-Nagoya-Kyoto-Osaka-Kobe. This megalopolis includes more than 78 million people accounting for 63 percent of the population of Japan.⁹ Population density is quite high in the megalopolis, which accounts for only about 3 percent of the land area of Japan.¹⁰ This pattern of urbanization was dictated by the nation’s geography that squeezes population on plains or hills between the coast and the mountains in a narrow strip. However, the high degree of government centralization also promotes Tokyo’s primacy. Corporations and other nongovernmental organizations find it necessary to be in close proximity to ministry offices in central Tokyo.¹¹

Karan¹² identifies several challenges facing cities in Japan including dealing with environmental degradation and pollution, infrastructure development and ensuring residential housing in the inner cities.¹³ All Japanese cities must also be prepared for earthquakes and other natural disasters. Many cities continue to have large districts with old wooden housing and narrow streets laid out in the feudal pattern, complicating emergency preparedness strategies. Most cities have focused on suburban development and neglected inner city redevelopment. Commercial development has crowded out residential neighborhoods and led to soaring housing and land prices. The “Tokyo Problem,” as it is referred to, results from Tokyo’s emergence as a global city¹⁴ bringing overconcentration of business and development to the capital city and Tokyo’s primacy over the urban system. This causes population loss and economic decline in rural areas and even other large mega-cities such as Osaka and Nagoya.¹⁵ More than 30 million people live in the capital region spread out among 11 prefectures. Takahashi and Sugiura characterize this as a reorganization “from a *hierarchical urban system* to a *uni-centred urban network*” since the 1980s.¹⁶

The central government and Tokyo Metropolitan Government have sought to deconcentrate population into new development poles and create a more even distribution of population and business within the metropolis and the nation. More suburban centers were built and increased government investment went to infrastructure development in

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medium sized cities. Tokyo Metropolitan Government relocated its city hall to the Shinjuku Ward in an effort to promote a system of subcenters to reduce development pressure in the central business district. The central government sought to move industry out of the Tokyo megalopolis.¹⁷ However, the high tech and electronic industry associated with a post-industrial economy quickly replaced the departing manufacturing operations that located in neighboring prefectures. The rapidly growing service sector including banking, securities, insurance and producer services concentrated in the major metropolitan areas, especially in Tokyo.

Central government and Tokyo Metropolitan Government efforts to foster a more balanced and multi-centered metropolis have been thwarted. Outward expansion occurred simultaneously with overdevelopment and concentration in the core. New satellite centers contributed to the emergence of a single homogenized megalopolis fused together. Some small and medium sized cities have been experiencing severe decline due to economic restructuring¹⁸ and the pull of Tokyo. The relocation of the capital out of Tokyo is one of the options being pursued by the central government as a possible remedy. Tokyo Metropolitan Government vehemently opposes this proposal. Additional factors complicate efforts to redress the Tokyo problem including the land bubble burst, national economic crisis and related fiscal crisis. National corruption scandals in the government and bureaucracy have undermined citizen confidence and trust in public and private leaders to address problems.

LOCAL GOVERNMENT IN JAPAN

The System of Local Government in Japan

The Local Autonomy Law of 1947 provides the basic framework of modern local government in Japan. Table 1 provides a brief description of the types of local governments. There are two basic types of local public authorities: ordinary and special. Ordinary local governments include prefectures and municipalities. Prefectures, similar to counties in the United States, provide upper tier services.¹⁹ Municipalities provide more basic urban services. The two levels of government are considered to have “equal standing.”²⁰ However, as Reed²¹ points out, “Generally, prefectures are superior to municipalities, and all communications between the central government and municipalities must pass through the prefecture.”²²

Table 1
Local Government in Japan

Ordinary Local Public Entities	Number	Explanation
Prefectures	47	Prefectures are responsible for "upper tier administration." Prefectures and municipalities have "equal standing" so that municipalities are in theory not subordinate to prefects. Responsibilities include: <ul style="list-style-type: none"> • To • Do • Fu • Ken
	(1)	• Affairs which cover a wide area, such as preparation of overall development plans for regional, mountain and river development;
	(1)	• Affairs which require overall uniformity such as maintenance of the established standard of compulsory (and other) education, and the administration and operation of a police force;
	(2)	• Affairs which relate to the liaison and coordination of municipalities, such as relations between the national government and municipalities;
	(42)	• Affairs which exceed the level which municipalities are deemed to be capable of handling properly, such as the establishment and maintenance of senior high schools, laboratories and museums.
Municipalities	3232	Municipalities are responsible for "local administration." The primary differences between cities, towns, and villages is population size. Designated cities have greater authority than ordinary municipalities.
• Cities (Shi)	669	Cities with more than 50,000 persons and 60 percent of the population in the urban center.
• Ordinance Designated Cities (Shitei-toshi)	(12)	Cities with 500,000 or more population are granted more authority by the central government. They perform some tasks normally carried out by prefectures. The designated cities are Osaka, Nagoya, Kyoto, Yokohama, Kobe, Kitakyushu, Sapporo, Kawasaki, Fukuoka, Hiroshima, Sendai and Chiba.
• Nucleus Cities (Chukaku-shi)	(12)	Cities with 300,000 up to 500,000 may carry out activities that Designated Cities would undertake unless it is more suitable for the Prefecture to carry out these responsibilities.
• Towns (Cho)	1993	
• Villages (Son)	570	
Special Local Public Entities	Number	Explanation
Special Wards	23	Only found in Tokyo-To. Similar to a municipality with an elected mayor.
Cooperatives of Local Public Entities	2,822	These allow municipalities and prefects to jointly provide services.
Local Development Corporations	10	
Property Wards	4244	These are created to manage property owned by cities.

Source: Excerpted and summarized from Isozaki (1997), chapter one.

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The 12 largest cities after Tokyo fall under the category of Ordinance Designated Cities, which carry out many prefecture activities and communicate directly with central ministry officials.

The special public authorities of most concern in this paper are the 23 wards, located in Tokyo. These wards have special status, unique in Japan, resembling municipalities with elected mayors. Although wards exist elsewhere, these are administrative units that have semi-independent status but are subordinate to the Tokyo Metropolitan Government. Wards in Tokyo are discussed in more detail later in the paper.

Many of the functions provided by local government originate under *agency delegation* (*kikan inin jimū*) from central government ministries. About 80 percent of prefecture activities and 40 percent of municipal functions are the result of agency delegation.²³ The mayor or governor “becomes an agent of the central government subject to the supervision of the assigning ministry.”²⁴ The prefecture or municipal assembly has no control over delegated functions.

The central government ministries have a great deal of discretion in guiding local governments. The Ministry of Home Affairs (MHA), primarily charged with overseeing local government, rotates officials throughout prefectures and municipalities. Local governments ignore administrative guidance from above at their own peril. MHA and other central government ministry officials also directly take on lead management roles in local government administration. For example, most finance heads in prefects are MHA officials.²⁵ (Tokyo Metropolitan Government is the only prefect that does not routinely invite central ministry officials to serve in administrative positions). Nearly half of the governors of prefects are former MHA officials.²⁶

In addition to agency delegation, local governments are financially dependent upon the central government. The extent of financial dependence is revealed in comparing national government tax collections to expenditures. The national government collects more than 60 percent of the revenue. However, it directly spends only 35 percent. The rest of the money is transferred to local governments.²⁷ Local taxes account for only about 33 percent of local revenues.²⁸ Until recently, the figure was less than 30 percent and referred to as *30 percent autonomy* “symbolizing the weakness of local governments.” Some larger cities with their own independent sources of revenue had greater autonomy. Tokyo Metropolitan Government, for example, had “70 percent autonomy.”²⁹

Limited Local Autonomy

The system of local government in Japan is heavily centralized under a unitary state. The system may be described as administratively decentralized rather than politically decentralized. Local autonomy is quite limited compared with a federal system such as the United States. Although local government has rather limited autonomy, the 1947 Constitution imposed by the allied occupation of Japan was premised on the need for greater local autonomy as a basis for democratic government.³⁰ Supreme Command for the Allied Powers (SCAP) viewed a strengthened local government as a counterweight to authoritarian and centralized government that had led Japan into war. Decentralized local government would provide the means to resist any militaristic tendencies, limit the ability of the central government to wage war in the future and ensure civil liberties. Under SCAP, the Home Ministry was dismantled, the police and education were decentralized and local prefect and municipal services were separated from national functions. Decentralization was not based on the superiority of local administration but instead the need to counter authoritarian tendencies and to promote democracy.³¹

There are two distinct goals embodied in SCAP reforms to further democracy in Japan. First, national power was to be limited by divesting central government of local functions, which were transferred to local governments thereby strengthening local government institutions and providing a check on national power. Second, increased participation by local citizens was to ensure that local government decisionmaking reflected local desires. Local government would not be an implementer of national policy (i.e., a branch office) but a strong and independent institution for local democratic governance. This was to be realized in part by the direct election of mayors and governors and school boards and by provision for the recall of elected officials as well as transparency of local administration. "Participation in local governance was to serve at least two ends: training in democratic citizenship and the development of democratic leadership."³²

However, the local government reforms did not succeed as well as intended. Japan's local governmental system, even before the war, had been based upon "continental European models of administration" rather than "American-style decentralized local government." The major barriers to local government reform were "strong bureaucratic resistance to administrative and financial decentralization, skepticism on the part of conservative

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governments concerning the capacity of local authorities and failure by SCAP to tackle early and strongly enough problems of local finance.”³³

Thus Japanese local government after WWII embraced two contradictory tendencies, a centralized bureaucratic tradition fused with postwar democratic reforms including “norms of local autonomy.”³⁴ Terry MacDougall, while recognizing that local reform in Japan turned out different than expected, is sanguine about the evolution of local government and its contributions to building a democratic state. “It has proved to be a flexible and dynamic system, adjusted constantly over the past three and a half decades to changing issue agendas generated by the nation’s social and economic transformation and contending political forces.”³⁵

MacDougall provides a cogent summary of the evolution of modern Japanese local government.

Local government issue agendas in postwar Japan have evolved through four overlapping phases, each with rather distinct central themes. During the first postwar decade, controversy centered on the relative merits and demerits of the Occupation reforms and on the efforts of the conservative parties nationally to recentralize the administrative system. From the mid-1950s through the mid-1960s, local governments became deeply enmeshed in the national drive for economic growth, which they hoped to harness for local prosperity and for a solution to their financial problems. By the late 1960s or early 1970s local governments throughout the country had to contend with citizen activism spawned by severe environmental deterioration and mounting urban and social problems. From the mid-1970s they have emerged gradually into a pivotal role in defining a new Japanese democratic synthesis quite different from, but not necessarily less democratic than, that anticipated by the Allied Occupation.³⁶

Others have been more critical of the local governmental system that has evolved in Japan. In the long-run, the local government reforms imposed by SCAP did not significantly reduce central ministry powers nor lead to strong local government as a counterweight to national power. Even before the occupation ended, the traditional centralized state overtook the reforms. Local home rule was formally the rule. However, the practice of agency delegation meant that governors and mayors, though

now elected, continued to carry out central ministry policies and were subject to administrative guidance. Local governments were not provided with a sufficient local tax base or distinct local powers to ensure that they could act independent of the national government.

In Japan, a vigorous scholarly debate has been occurring over whether local government is an autonomous and important actor in addressing urban problems and empowering citizens to shape local and national policies to improve the quality of life. The orthodox view of local government in Japan has been that it lacks local autonomy. Reflecting the centralized nature of the Japanese state, local government was granted little autonomy and operates in narrow confines under the direct administration of central ministries. Local government is charged with managing urban services and administering central government policies. In this sense, urban studies or local administration are rather unimportant and largely ignored within political science and public administration.

More recently, several studies have challenged the conventional wisdom arguing that local autonomy has been underestimated. In this view, most forcefully argued by Michio Muramatsu³⁷ and Steven Reed,³⁸ cities and prefectures have a great deal of latitude in decisionmaking and compete vigorously for central government favor. National policy (and local) is not the result of centralized decisionmaking from above revealed and implemented from below but a function of a pluralist political competition among local governments from below. The winners of this competition see their plans and proposals incorporated and adopted in central ministry plans. Under the national Constitution and laws, the powers of central government appear preeminent while those of local authorities are weak on paper. However, Muramatsu and Reed argue that local government enjoys a great deal of autonomy in actual decisionmaking missed by constitutional, legal, and institutional analysts. They argue that central-local relations are best characterized as interdependent. More sustained research is now exploring under what conditions greater local initiative may occur.³⁹

ADMINISTRATIVE REFORM AND DECENTRALIZATION POLICIES

Administrative Reform in the 1980s

Underlying general administrative reform and decentralization policies is the view that the economic and fiscal crisis facing Japan is the result of too

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much power and authority in the hands of central government ministries. Recent scandals involving bureaucrats have undermined general support and confidence in the ability of central government to improve the economy and address major problems.

Shinodo Tomohito⁴⁰ traces the efforts to reform Japanese government. Upon taking the office of Prime Minister in 1980, Zenko Suzuki was confronted with the need to cut spending to reduce deficits. He appointed Yasuhiro Nakasone to head the Administrative Management Agency that was responsible for administrative reform. Nakasone took the advice of the agency bureaucrats to convene the Second Ad Hoc Commission for Administrative Reform or Rincho as it is referred to in Japan. Nakasone built support among other ministries to convene the body to consider ways to reduce central government waste. The proposal was introduced at a cabinet meeting in September 1980.⁴¹

In January 1981, Toshio Doko, a well-known and respected business leader and retired head of the Federation of Economic Organizations was named to head the Rincho. This ensured that the recommendations would have strong support in the business community and that the commission would have more independence than was usually the case. Doko insisted on several conditions before accepting the appointment including that the prime minister would support the commission's recommendations and that no taxes would be increased to address the deficit. The prime minister agreed and the Rincho was set up in March 1981. Tomohito reports that "Suzuki publicly stated that he would stake his political life on administrative reform," making the effort his top priority.⁴²

Turning first to the budget deficit, the commission recommended an initial across the board cut of 10 percent in the 1982 budget. This proposal was accepted. The committee then turned its attention to deregulation policies and privatizing major public corporations (Nippon Telegraph and Telephone, Japan Tobacco and Salt Public Corporation and Japan National Railways). Doko brought additional business leaders to help promote reform, including the founders of Honda and Sony who formed the National Forum to Promote Administrative Reforms. A large movement of support was being organized on behalf of reform. The Forum had more than 20,000 members actively speaking out. Public support also grew for a proposal to privatize Japan Rail, which was accepted by the cabinet in August 1982.⁴³

The economic recession reduced government revenues leading to the need to sell “deficit-financing bonds” for the 1984 budget, something Prime Minister Suzuki had pledged not to do. This reversal, combined with foreign policy gaffes, saw his popularity decline. He decided not to run for reelection as Liberal Democratic Party (LDP) president.⁴⁴ Tomohito attributes Suzuki’s lack of success to his passivity and unwillingness to take a lead role in reform efforts. In 1983, Nakasone took over as president of the LDP and prime minister. He set up a committee to privatize Japan Rail and created an Advisory Council on Enforcement of Administrative Reform to plan for greater administrative reforms, which he persuaded Doko to chair.⁴⁵

The LDP then faced a serious political crisis that cost it the elections in December 1983. Former Prime Minister Tanaka was found guilty of bribery from Lockheed. Rather than resign from the Diet, he indicated his intent to appeal the charges. The public quickly withdrew support from LDP and Nakasone was forced to call for new elections. The LDP lost 38 seats and its majority in the lower chamber. Nakasone was able to get the New Liberty Party to form a coalition government and reform, popular with the public, was central in the platform. Nakasone was able to show how administrative reform was needed to address the mounting deficit. He secured support in 1984 for reforming health care, requiring patients to pay 20 percent of the costs. In 1985, he turned to privatizing Japan Rail that was approved by the cabinet.

The opposition parties, tied to labor which were against the privatization, were hesitant to oppose the deal for fear of giving the prime minister an excuse to call new elections. The prime minister was able to engineer new elections anyway and LDP regained a majority in both the lower and upper chambers. In the new cabinet, Ryutaro Hashimoto was appointed to transportation to oversee privatization efforts. In the fall of 1985, the Diet approved the privatization plan. Nakasone had successfully pushed administrative reform and avoided the need for deficit financing by the end of the 1980s.⁴⁶

Tomohito’s interview with an associate of Prime Minister Nakasone provides some insights into the success of administrative reform at that time.

First of all, it was good timing. Prime Minister Nakasone’s administrative reform matched the worldwide trend. Many Western nations

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were going for deregulation. In the United States the Reagan administration called for a small government with more efficiency. It was also when many people talked about Great Britain disease. Ideology for a controlled economy and society declined and the world leaned further toward the free economic system. Prime Minister Nakasone then came up with this administrative reforms with the slogan of “Clearing the Postwar Political Legacy.” It was just good timing. Second, we had a charismatic business leader as a head of the Council. Mr. Doko Toshio became a symbol for the reform. This helped significantly. Third, Mr. Nakasone had a determined political attitude toward the reform. His way of handling the issue sometimes created friction within the party. The good timing, however, helped the prime minister.⁴⁷

Tomohito distinguishes the administrative reforms of the 1990s from earlier reforms based upon the need for deficit reduction, focusing on “public distrust” of bureaucracy.⁴⁸ Scandal after scandal emerged concerning ministry officials’ personal misconduct and incompetence. Prime Minister Hashimoto of the LDP headed a coalition government in 1996. Although unable to win a majority, LDP increased its numbers in the house. The other coalition parties, the Socialist and the Sakigake, both lost many seats. They agreed to form a majority bloc in the house but declined to accept any cabinet positions. All the parties had run on a reform platform including a reduction in the number of ministries.⁴⁹

Hashimoto then formed a Council on Administrative Reform and appointed himself as chair. No bureaucrats sat on the council. In an interim report, the council called for “reinforcing the cabinet, privatizing postal saving and insurance services, dividing the politically powerful Ministry of Construction and decreasing the number of government agencies from 22 to 13.”⁵⁰ In 1997, Hashimoto made the mistake of appointing a member of the LDP with a conviction for bribery to a cabinet appointment. This undermined support for Hashimoto and his reforms. At the same time, Hashimoto was blamed for the severe recession because of his “tight fiscal policy.”⁵¹ Party support quickly eroded. When he needed public support the most, he made a critical error. As Tomohito explains, “LDP members felt free to destroy the reform plan.”⁵² The new Prime Minister, Keizo Obuchi paid lip service to reform but took little action.

Further progress was made on administrative reforms in 1999, when the Liberal Party joined a coalition government with the LDP. This led to the passage of the Bill to Enhance Diet Operation and the Politician-Led Policy Making System. Ichiro Ozawa, head of the Liberal Party, insisted on several conditions including the “immediate reduction of cabinet ministers from 20 to 15,” which would make it easier to have consensus. LDP agreed to reduce to 18 initially and then to 14-17 by 2001. The two parties set up project teams to consider other reforms. Ozawa asked for the elimination of “the government commissioner system,” where bureaucrats answered questions in the Diet instead of political leaders, to foster stronger political control of the bureaucracy. This change took place in the fall of 1999. Also, the deputy minister position was now to be a political appointee and not a member of the bureaucracy, reducing bureaucratic power and strengthening political control. The parties also agreed to create a standing committee to deal with national policy in the Diet where the prime minister and party leaders could debate policy following the British system.⁵³

Decentralization in the 1990s

Although given less focus than broader administrative reform, there has been growing interest in fostering greater decentralization.⁵⁴ In May 1995, the Decentralisation Promotion Law was enacted by the Diet. Under this law, the Decentralisation Promotion Committee was set up in the Prime Minister’s office to produce a plan for decentralization. The commission included “former governors, mayors, government officials and university professors” and was “chaired by Ken Moroi, the vice president of the Japan Federation of Employers’ Association.”⁵⁵ The commission was intended to rethink intergovernmental relations based upon academic study and practical realities.

In March 1996, the committee released an interim report on decentralization and made recommendations to Prime Minister Hashimoto later that year. The plan called for a new relationship between the central and local governments by eliminating agency delegation and bolstering local autonomy, both for prefectures vis-à-vis the central government and municipalities vis-à-vis prefectures.⁵⁶

Preparing Local Governments for Decentralization

Local governments require improved administrative structures and policies if they are to act as intended under the decentralization plan. A number of related reforms tie into the decentralization plans. First, the central government has created a new system of “Core Cities” to allow cities below the 500,000 population threshold to carry out the same activities as Designated Cities,⁵⁷ including supervision of nursing homes, inspection of sewer facilities and approval of certain redevelopment projects. These cities would have to provide public health facilities not previously required of them. Second, the central government has created the Wide-Area Union System to allow local governments to provide services over a wider region. Municipalities can form a Union with the permission of the Prefect Governor. If a Prefect is party to the agreement, the Minister of Home Affairs must approve it. These Unions can accept transfers of authority or service, providing a way to promote cooperation among local governments. As of June 1997, four Unions existed. The third related reform was a change in the law to promote voluntary municipal mergers. Finally, local governments are engaged in administrative reform to ensure they have the capacity to receive their increased autonomy and to be consistent with broader administrative reform at the national level.⁵⁸ The Ministry of Home Affairs is charged with advising local governments to be sure they are ready for the changes.

Assessing the Effects of Decentralization on Japanese Local Government

In May 1998, the Decentralization Promotion Program was adopted to implement the decentralization law. This called for abolishing the system of agency delegation and replacing it with “legally commissioned” activities. There are 561 agency delegated functions that are to be abolished. The plan also calls for new rules limiting the circumstances under which the central government can interfere in prefecture and municipal affairs and when prefectures can interfere in municipal affairs.

The decentralization plans will have a major impact on the operation of Japanese local government. Whether they will actually create more autonomous local government is more dubious. Most observers doubt that the reforms will have the intended effects. As the mayor of one small city explained, “Decentralization is an idea that is very important and we

welcome decentralization.”⁵⁹ However, he pointed out that in this case decentralization was promoted “to ease the central government’s financial situation.” The mayor went on to point out that the central government was “trying to rationalize” budget cuts in the guise of decentralization. He pointed out that real decentralization requires “financial reform to back it up.” This is why most question the sincerity of the current reforms. Agency delegation will end. However, municipalities and prefectures will still have to carry out mandated activities. Furthermore, no independent body exists to arbitrate disputes in center-local relations. In the United States, a federal system, this role is ultimately filled by the Supreme Court.⁶⁰

Naohiko Jinno⁶¹ points out that real decentralization and reform cannot occur until fiscal decentralization takes place. However, financial reform has been deferred until after broader administrative reform and decentralization occur. Thus local officials remain skeptical that the government is serious about reform. This is especially true given the nature of the economic and fiscal crisis facing Japan. The fear is that reform in Japan parallels the New Federalism reforms of the Reagan era in the United States, where, a reordering of the intergovernmental system was promoted to reduce the federal role, which was said to eclipse state and local governments. However, in the United States, fiscal and economic policy took precedence. The result was large tax cuts and efforts to reduce budget deficits leading to a major reduction in federal aid to cities.⁶² Thus program turnbacks were experienced as budget cuts. Perhaps local autonomy was promoted in the long run as cities had to become more self-reliant. However, local governments in the United States have much more autonomy than in Japan.

Local governments in Japan have limited ability to adopt local taxes for their own use. While they provide most public services, they lack the resources to pursue their own local projects. This will not change under the current reforms and the local authorities will still be responding to central ministry priorities and policies. This leads Jinno to characterize the Japanese system as a “centralized-deconcentrated system” rather than decentralized.⁶³ Even if broader administrative reforms succeed in bolstering political authority over bureaucratic authority, decisionmaking will still be lodged in the central government ministries in Tokyo with programs and policies mostly implemented by local governments.

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Akira Nakimura⁶⁴ believes decentralization poses a great threat to bureaucratic power and that the central ministries will resist it. He believes that decentralization will occur, not by grant of central government, but as a result of globalization that loosens the ties of local governments to the center as they interact with other governmental and non-governmental groups internationally. He argues, “these cross-national contacts at the metropolitan level will expand in the area of international regulatory cooperation.”⁶⁵ Few share his optimism.

TOKYO METROPOLITAN GOVERNMENT

Tokyo is one of the few global cities governed by a metropolitan government.⁶⁶ As we have seen, Japan is a highly centralized nation and population, with industry and finance concentrated in the capital Tokyo. The concentration of business and finance on top of the political functions associated with being the nation’s capital has led to an overconcentration in the central wards of Tokyo. Office building in the boom 1980s period crowded out residential housing and led to skyrocketing land values as speculators and builders bid up the prices.⁶⁷ Tokyo has also seen the influx of international organizations (NGOs) associated with its emergence as a global city. The major difficulties facing Tokyo are how to foster balanced growth and a decentralized or multi-centered metropolis to reduce housing shortages, traffic congestion and waste disposal problems that arise from over-concentration.⁶⁸ There is also recognition that TMG is too centralized administratively, leading to efforts to decentralize authority and devolve services and functions to the ward level.

Tokyo consists of the 23 special wards (*ku*)—corresponding with the old city of Tokyo, after the amalgamation in 1932—and the Tama district (western suburbs) containing 26 cities, five towns and one village, and a number of islands scattered in the Pacific Ocean.⁶⁹ The City of Tokyo and the Tokyo Prefecture were consolidated to form Tokyo Metropolitan Government in 1943. Table 2 reports the population for the 23 wards (the urban core); the current metropolitan city of Tokyo that is within the boundaries of TMG; and the larger Tokyo metropolitan region including the neighboring three prefectures of Saitama, Kanagawa, and Chiba. In 1995, Tokyo had nearly 12 million people; the 23 wards account for just under 8 million or about two-thirds of the population. The Tokyo metro-

Table 2
Changes in Population, Tokyo Metropolitan Region (1000 persons)

Year	Tokyo Region	Tokyo	23-ku	Tama area	3 neighboring prefectures
1960	17,860	9,680	8,310	1,370	8,180
1965	21,020	10,870	8,890	1,980	10,150
1970	24,110	11,410	8,840	2,570	12,710
1975	27,040	11,670	8,650	3,030	15,370
1980	28,700	11,620	8,350	3,270	17,080
1985	30,270	11,830	8,350	3,480	18,440
1990	31,800	11,860	8,160	3,690	19,940
1995	32,570	11,770	7,970	3,800	20,800
2000	33,520	11,730~ 11,810	7,800~ 7,900	3,910~ 3,930	21,790
2005	34,290	11,680~ 11,810	7,630~ 7,810	4,000~ 4,050	22,610
2010	34,730	11,550~ 11,740	7,420~ 7,690	4,050~ 4,130	23,180
2015	34,790	11,400~ 11,660	7,240~ 7,590	4,070~ 4,160	23,390

Reproduced from: Bureau of City Planning, Tokyo Metropolitan Government, *Urban White Paper of Tokyo Metropolis* (Tokyo: TMG, 1996), 14.

politan region had a population of about 32.5 million people with Tokyo making up about one-third of the regional population. The density in the 23 special wards is 13,000 per square kilometer; in Tama it is 3,250 per square kilometer.⁷⁰

The population of the wards varies from fewer than 40,000 to over 600,000 (see Table 3). For the last several decades, the wards have been losing population. However, more recent census figures in 1997 indicate that the wards actually gained 8,400 persons. This is likely due to cheaper land prices and fewer jobs outside of Tokyo related to the economic troubles.⁷¹ These figures do not take into account commuters. In 1990, the daytime population of Tokyo was just under 14.5 million and about 11.3 million in the 23 wards.⁷²

Table 3
Population of Wards, 1990

Ward	1990 population	Percent change from 1985
23-ku	8,163,573	-2.3
<i>Chiyoda-ku</i>	39,472	-21.8
<i>Chuo-ku</i>	68,041	-14.9
<i>Minato-ku</i>	158,499	-18.5
Shinjuku-ku	296,790	-10.8
Bunkyo-ku	181,269	-7.5
Taito-ku	162,969	-7.8
Sumida-ku	222,944	-3.1
Koto-ku	385,159	-1.0
Shinagawa-ku	344,611	-3.7
Meguro-ku	251,222	-6.7
Ota-ku	647,914	-2.2
Setagaya-ku	789,051	-2.7
Shibuya-ku	205,625	-15.2
Nakano-ku	319,687	-4.8
Suginami-ku	529,485	-1.9
Toshima-ku	261,870	-6.0
Kita-ku	354,647	-3.5
Arakawa-ku	184,809	-2.8
Itabashi-ku	518,943	2.6
Nerima-ku	618,663	5.2
Adachi-ku	631,163	1.4
Katsushika-ku	424,801	1.4
Edogawa-ku	565,939	9.9

NOTE: Wards in bold face are the seven most central wards. The three wards identified in bold and italics contain the central business district.

TMG Administrative Structure

In 1943, the City of Tokyo and Tokyo Prefecture were consolidated as part of the “wartime centralization policies.” Prior to this, the city had an elected mayor and the prefecture had an appointed governor.⁷³ The new

Metropolis of Tokyo was governed by *Tokyo Metropolitan Government* (TMG). After the war ended, TMG continued to be a strong metropolitan government although the election of the governor was introduced. There was no significant movement towards decentralizing TMG until the 1974 reforms providing for direct local election of ward mayors. Prior to this, the mayors were appointed by the governor and the wards were entirely subordinate administrative units.⁷⁴ The 23 wards (ku), the old City of Tokyo, were considered special urban governments and unique to the Tokyo prefecture. The wards lack many ordinary municipal powers that are exercised by TMG on their behalf. For instance, TMG provides fire protection, water supply, sewers and sanitation services in the 23 wards. With the exception of fire protection, these services are provided by the municipalities in the Tama area.⁷⁵

The special wards and TMG also have unique financial arrangements. Some revenues normally collected by municipalities—resident tax, fixed asset tax and property tax—are collected by TMG inside the 23 wards and redistributed through a financial adjustment scheme.⁷⁶ The total tax collected from these three taxes is divided between TMG and the ward offices. The percentage split is set at 44 percent to the wards (“basic adjustment amount”) and the remaining 56 percent for TMG. Each ward calculates its revenue and expenditures needed to provide basic services. Wards with surpluses place the excess in a surplus fund that gets added to the general allocation fund. Wards with deficits receive an additional subsidy to cover the shortage. During the bubble economy, several wards had surpluses that went to the fund. For example, in 1990 Shibuya contributed U1,981 million to the adjustment fund.⁷⁷ This financial adjustment equalizes resources and ensures a uniform level of services across the 23 wards making up central Tokyo.

Reforms to Decentralize TMG

The special ward system (Tokubetsu-ku) in Tokyo is unique in Japan. The relationship between TMG and the wards differs from that of other prefectures and ordinance-designated cities.⁷⁸ The division of responsibilities and financing of services between TMG and the wards also differs from that of TMG and local governments in the Tama district. TMG provides some services directly in the wards that are elsewhere considered municipal services. The special wards are administrative subdivisions of TMG. In

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1974, the wards' powers were enhanced by 1) providing for direct election of ward mayors; 2) transferring and health services and building control to the ward offices; and, 3) abolishing the system for posting of TMG officials to ward offices.⁷⁹ The wards recovered their personnel management authority and set up an independent Personnel Commission. However, the wards still had rather limited autonomy.

In 1990, TMG and the ward offices asked the central government for reorganization of the metropolitan governing system. This resulted in the 22nd Local System Research Council report proposing “reform [that] will expand the scope of business to be conducted by the special wards and will make them more independent vis-à-vis” TMG. With this charge, TMG and the ward offices set up a Metropolis-Ward Council to study and recommend changes in the way the metropolis was governed. In 1992 an interim report was issued; in 1994 a draft final report was released, submitted to the Ministry of Home Affairs and endorsed. In 1998, the wards and TMG accepted the final report and it was approved by the cabinet and passed by the Diet.

The report called for transferring some services and revenues to the wards and greater self-governance for the wards beginning in the year 2000. When implemented, the wards will become fully autonomous municipalities and no longer have a special status as wards. However, the wards will have to act as other municipalities and be more self-reliant. TMG will no longer carry out ordinary municipal services and it will become more focused on regional problems.⁸⁰ A further report is due on changing the financing system between TMG and the ward offices.

According to the Tokyo Metropolis-Ward Council, two factors were propelling reform. First, national policy was promoting decentralization and local autonomy. However, efforts to decentralize TMG governance predate national reforms. More importantly, according to the report, there was a need for greater ward autonomy to provide better quality services; to lead to more balanced development in Tokyo; and, to provide greater self-governance. Existing arrangements between TMG and the ward offices contributed to confusion about which government was responsible for services, a lack of accountability to citizens, weak local (ward) governments and a lack of focus by TMG on regional problems, policies and administration. The remedy was to transfer basic municipal services provided by TMG to the ward offices to give wards greater fiscal control, and

to reorient TMG as a regional government in a more sharply delineated two-tier metropolitan system of government. The movement towards greater ward autonomy was accelerated by the 1974 reform to directly elect ward mayors.⁸¹

Many issues need to be addressed by the ward offices, TMG and the central government to implement the reforms including revision of the Local Autonomy Law, the basic act setting up the framework of local governance nationally. Agreement on the general principles of reform occurred in 1990. Since then, TMG and the wards have sought to identify and recommend specific changes in policies and law and gain consensus among affected parties. Services to be transferred from TMG to the ward offices include waste management, city planning, education (offering right for assignment of teachers to schools),⁸² and aspects of septic tank regulation and sewerage services. The aim of the reform is to convert the wards into “basic local public bodies.”

Effects of Reform—a Decentralized Tokyo?

Theoretically, these reforms should result in the wards becoming fully autonomous municipalities. However, there is doubt that the proposed reforms will be fully implemented and if implemented that they will have the desired effects. One question is whether the wards have the institutional/technical capacity to perform all transferred services. For example, there has been little examination of cost or changes in staffing levels needed in the wards to provide expanded city planning.⁸³ There is some doubt that the wards have sufficient staff, financial resources and expertise to take over all aspects of city planning and other services amidst pressure to reduce employment.⁸⁴ (Under central government economy measures, local governments are to make personnel reductions and each ward has been allocated a share by TMG).

A second concern is whether sufficient financial resources will be transferred to the wards to pay for the services. Devolution of authority must be accompanied by fiscal reform. The present financing system for governing the Metropolis (TMG and the wards) places the wards in a subordinate position vis-à-vis TMG. TMG is currently facing a fiscal crisis because of the economic recession and the land bubble burst. TMG revenues are declining while committed expenditures are rising. TMG has committed to continue to transfer the basic adjustment amount (current-

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ly 44 percent of three municipal taxes collected by TMG) and the actual costs that are currently expended to provide transferred services. This would require the basic adjustment amount to increase to perhaps 50 percent to cover the approximately Y200 billion additional service costs associated with providing transferred services.⁸⁵

TMG is in a position to dictate the amount of money transferred and it is unknown if it will agree to transfer 50 percent of the basic adjustment amount. Thus, the wards could face added responsibilities without needed revenues and without new tax sources to hire additional staff or fund service costs. Final recommendations by the Metropolis-Ward Council to reform the fiscal system will not occur until after services are transferred in the year 2000. The fear is that administrative reforms emanating from the central government and TMG (e.g., privatization and deregulation) may lead to real cuts in services at the ward level. Increased municipal autonomy on paper may not be matched by real authority. In fact, wards could be in worse shape as they will be held accountable for municipal services that they cannot reasonably provide without commensurate cuts in other service areas.⁸⁶ Moreover, the current economic climate in Japan may overshadow decentralization policies.

In addition, the wards would be responsible for determining any reallocation of tax money among themselves. As Table 4 reveals, the wards are heavily dependent upon the metropolis financial adjustment system that accounts for about one-fourth of all ward revenues. However, there is wide variation among the wards in how much of their local revenues are derived from this source, ranging from as little as 1 or 2 percent to as much as 40 percent. This could lead to intense municipal conflict with the 23 wards set against each other. Some poorer wards might have insufficient money to provide basic services. This could be a great unanticipated consequence of metropolitan government reform. Intergovernmental relations in Japan are based on a consensual political culture. It is likely that TMG would have to mediate disputes among the wards in how to distribute these revenues to ensure equity and harmony in relations.⁸⁷

A third concern is whether the actual service transfers will occur. For example, in Japan, waste collection and disposal are considered municipal services. However, TMG currently provides this service in the 23 wards.⁸⁸ Under reforms, the ward offices would take over this service. Each ward would be required to provide a waste disposal site. At present, a number of

Table 4
Allocation from Metropolis-23 ku Financial Adjustment System
(in thousands)

Ward	Financial Adjustment Allocation, 1989-90	Percent of Ward Revenues, 1989-90	Financial Adjustment Allocation, 1995-96	Percent of Ward Revenues, 1995-96
<i>Chiyoda-ku</i>	7,208,213	16.9	5,821,113	12.8
<i>Chuo-ku</i>	18,963,600	34.0	20,696,231	28.8
<i>Minato-ku</i>	601,345	0.8	2,167,519	2.3
Shinjuku-ku	22,674,077	18.8	20,678,855	19.7
Bunkyo-ku	12,571,278	20.7	16,681,666	20.2
Taito-ku	27,809,639	36.0	22,598,007	25.8
Sumida-ku	30,274,763	39.2	37,727,811	36.2
Koto-ku	39,556,019	41.6	41,990,978	34.6
Shinagawa-ku	28,378,427	29.5	28,936,756	26.6
Megro-ku	12,085,908	16.3	11,830,264	14.7
Ota-ku	35,403,368	23.0	40,111,124	19.2
Setagaya-ku	21,991,382	11.2	19,198,016	8.5
Shibuya-ku	1,043,185	1.6	4,092,712	5.3
Nakano-ku	24,821,361	31.2	25,346,791	26.1
Suginami-ku	21,391,544	17.4	22,335,191	16.1
Toshima-ku	35,999,739	40.6	23,441,643	26.2
Kita-ku	49,307,323	43.2	45,879,855	38.5
Arakawa-ku	29,392,932	45.1	34,043,474	39.2
Itabashi-ku	42,875,894	31.7	43,555,889	29.9
Nerima-ku	38,085,886	22.2	46,208,179	26.0
Adachi-ku	67,587,090	39.2	71,911,524	33.5
Katsushika-ku	48,027,299	40.2	51,026,666	35.6
Edogowa-ku	53,163,214	37.1	64,670,391	37.5
TOTAL	669,213,486	27.8	697,950,655	25.1

Source: Training School of Ward Offices, *Handbook of Ward Office* (Tokyo: Training School of Ward Offices, 1992; 1998).

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wards including Shinjuku ward do not have such facilities. TMG would continue to provide technical and financial assistance for building facilities, but the wards would be responsible for maintenance and operations. This will impose a significant burden on the wards, but it is generally accepted that autonomous municipalities must provide all services normally considered municipal services.⁸⁹ However, the sanitation union fears losing bargaining power and facing lower wages and reduced benefits. Rather than one contract with TMG, there would be 23 contracts with individual wards and some wards may move towards privatization in order to save money.⁹⁰ Therefore, the sanitation union seeks to delay or prevent this service transfer.

Creating Regional Governance for Tokyo?

Aside from bolstering ward autonomy, the reforms are intended to improve regional decisionmaking by reducing TMG involvement in municipal services and refocusing its attention on regional problems and issues. The present reform plan does not go far enough to turn Tokyo into a truly regional government.⁹¹ The existing framework for regional cooperation rests on an annual regional summit (the Metropolitan Summit) between the governors of Tokyo and the neighboring three prefects. The secretariat of this summit rotates among the governors and each may strike items from the agenda that they do not wish considered. The regional summit has not tackled any significant issue and has not proven an effective forum for regional decisionmaking.⁹²

At this time, there is no concrete study or proposal for creating new regional institutions, adjusting TMG and ward boundaries or eliminating the distinction between local governments in Tama and in the 23 ku area. However, there is some recognition of the need for improved regional decisionmaking and an expectation that it will be addressed in a future study.⁹³

There is one issue on the horizon that could potentially galvanize cooperation at least among the four prefects with the summit serving as a base for cooperation. That is the proposed relocation of the capital away from Tokyo. The Diet has passed legislation establishing a process for designating a new capital location. Several sites have been identified and are presently being considered. Whether the national government really intends to go forward with this proposal is unclear. TMG has argued

strongly against this plan. The relocation is proposed as a solution to the over-concentration in Tokyo. The high degree of concentration makes the nation very vulnerable to a devastating earthquake that could wipe out both the economic and political center of the nation. Additionally, major infrastructure and development projects have been a cornerstone of Japan's post-war economy. Relocation would entail major new construction projects—a whole new city. Thus relocation of the capital would be the ultimate *growth machine strategy*.⁹⁴ However, in the current economic climate, relocation is unlikely. Nevertheless, TMG and the neighboring three prefects are threatened by the relocation proposal, especially since the government has continued to pursue the process of relocation set up by the Diet.⁹⁵

Regional cooperation is also impeded by the highly centralized system of local government in Japan. In the area of transportation, for example, TMG does not have sole control of Tokyo's transit, which is also provided by private companies and Japan Rail (a privatized national corporation). The central ministries such as the Ministry of Construction and the Ministry of Transportation have regional bureaus that guide and control local policy. These ministries do not coordinate their work and undermine the coherence of TMG policies as TMG (and prefects in general) organize functionally to match central government organization. To the extent that regional planning occurs, it is under the direction of the central government. Regional planning and decisionmaking is unlikely to occur in TMG or the Summit unless the central government follows through on administrative reforms and decentralization plans thereby reducing the direction from above.⁹⁶

More than 30 years have passed since William Robson's⁹⁷ major study of TMG. Many of his major criticisms are still valid today, including that there is 1) too much variation in the size of wards; 2) a lack of correspondence between TMG's boundaries and the boundaries of the Tokyo city-region; 3) little rationale for a different system of local government in Tama than in the central wards; and, 4) insufficient financial resources provided to TMG from the central government.⁹⁸ His solution was for greater centralization under a much enlarged first-tier metropolitan government. Peter Self⁹⁹ characterizes Robson as a "democratic rationalist" who greatly shaped scholarly discourse on metropolitan government in general but whose ideas "failed in both London and Tokyo."¹⁰⁰

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Self is sympathetic to Robson's call for a strong regional government. He even proposes a directly elected regional government for the larger eight prefect capital region.¹⁰¹ This government should have powers over regional planning, new towns, transportation and preservation of green space. However, this would require setting up a government for a huge population. There are over 20 million people just in the three neighboring prefects. Since it is unlikely that the central government would ever agree to such a proposal, Self suggests a "hybrid form of regional government and planning" similar to the Region d'Ile de France that links central government and Paris officials in planning decisions.¹⁰² Given the remoteness of such a regional government, Self proposes a newly reconstituted City of Tokyo government made up of the 23 wards alongside the creation of such a vast regional government. Otherwise, he believes it would be unlikely that citizens would have sufficient "civic consciousness and political interest."¹⁰³

SUMMARY AND CONCLUSION

At a time when other metropolitan governments have been weakened or dismantled, Tokyo Metropolitan Government (TMG) exemplifies the model of integrated metropolitan government. Yet, TMG is at a crossroads. The 23 special wards (ku), administrative units of TMG, are demanding greater local autonomy. The central government seeks to devolve functions while retaining authority. Efforts to bring about balanced growth and limit overconcentration are meeting with limited success while the metropolis continues to expand outwards. At the millennium, Tokyo finds itself constrained by an economic slump and the associated fiscal strain.

Tokyo and Japan are not alone in rethinking the intergovernmental system and reforming local government structure. Although TMG operates in a unitary state and with a distinctive political culture, the countervailing pressures towards greater centralization and decentralization are not dissimilar to those found in other parts of the world.¹⁰⁴ Continued urban expansion has not been followed by extension of city boundaries. TMG is too big to be a city government, yet much of its attention is directed at providing municipal services inside the 23 ku area. If the 23 wards get too much direction, the local governments in the Tama area (in Western sub-

urbs of Tokyo and under TMG's authority) are probably neglected, forced to provide services expected of municipalities (which TMG provides inside the 23 ku area), but ineligible for the fiscal equalization scheme that ensures financial stability inside the 23 ku area. In an era of fiscal restraint, TMG grants are inadequate for many of the Tama area municipalities. At the same time, TMG is too small to govern the true metropolitan region which at least includes the three neighboring prefects and some argue is really coterminous with the eight prefect capital region.

The need to modernize the metropolitan government system, now in place for more than 50 years, led to nearly a decade of study and negotiations among the wards, TMG, the Ministry of Home Affairs, Cabinet and Diet. In 1998, the *Final Report on the Tokyo Ward System Reform* was accepted by all parties and passed by the Diet. Reforms to be implemented under this report include transferring municipal services such as waste management and city planning, now provided by TMG, to the ward offices in the year 2000. There is some doubt if the reforms will be implemented in their entirety. Questions have been raised about 1) the institutional/technical capacity of the wards to receive these services; 2) whether devolution of authority will be accompanied by fiscal reform; TMG will have to significantly increase the amount of money transferred to wards that it now collects. However, decisions over financing have been deferred until after the service transfers and TMG will be in a position to dictate the transfer amount; 3) the likelihood of transferring all municipal services. Some wards may not be able to secure sites for waste disposal and the sanitation union may have sufficient clout to block the transfer of this service, which is expected to lead to extensive privatization and undermine the union's strength.

The reforms can be criticized on four counts: 1) there is serious doubt that the wards will be transformed into fully autonomous municipalities, especially since they will remain financially dependent upon TMG. There is the fear that the wards may be in worse shape since expectations will be higher but resource constraints might necessitate reducing services; 2) TMG boundaries no longer adequately encompass the urban region. The population of Tokyo, which is governed by TMG, is only about a third of the population of the four prefect region. There is an expectation that the reforms will improve regional decisionmaking by having TMG focus on its first-tier regional responsibilities, having shed the distraction of provid-

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ing second-tier municipal (ward) services. However, the need for more effective regional planning and decisionmaking across prefect boundaries is deferred for future study; 3) an unanticipated consequence of reform may be greater conflict among and between wards, TMG and the central government over distribution of revenues and policy priorities. While interlocal government conflict is decried in the United States for example, it is consistent with American political culture, the federal system and constitutional design. This is not the case in Japan with its more consensual political culture and unitary system; and, 4) the reforms do not eliminate the distinction between Tama area local governments and wards within TMG.

Metropolitan reformers such as Charles Beard¹⁰⁵ and William Robson¹⁰⁶ have long argued that city government should link the city and suburbs under one over-arching metropolitan government.¹⁰⁷ A more recent concern has been that this leads to large, inefficient and unresponsive bureaucracies. The public choice school has been effective in highlighting the problems of centralization. However, decentralization based upon the public choice market philosophy leads not to improved self-governance but a dereliction of governance. Peter Self¹⁰⁸ brings a more pragmatic approach to metropolitan governance recognizing the need for regional government (i.e., centralization) but questions the need for eliminating the core central city that promotes civic consciousness. Murray Bookchin¹⁰⁹ offers a more decentralist perspective, seeing municipal confederation as the way to meet the need for regional cooperation while promoting a more radical decentralization.

What is needed is greater consideration of how to promote greater coordination in the larger metropolitan region while at the same time attaining more effective local government that is responsive to citizens. In this regard, the *new regionalism* movement in the United States offers some guidance that may have utility in other nations.¹¹⁰ In the United States—given the difficulty of establishing metropolitan governments, doubts about the effectiveness of metropolitan governments where they exist and the reality of a very fragmented and decentralized system of local government—greater attention has been given by scholars and practitioners to the problems of how to promote local government cooperation in the divided metropolis. Rather than pursue a single model, individual locales seek to develop a locally relevant strategy of governance that responds to

the unique local government system, problems, history and culture of the area. Solutions range from selective joint service provision to tax sharing to more elaborate “compacts” or metropolitan councils. The goal is to better structure intergovernmental relations to reduce competition among cities (i.e., tax sharing) and to institutionalize cooperation. In the long term, through incremental steps, the hope is that metropolitan government will result not from unification but through federation.¹¹¹ Thus a “new localism” goes hand in hand with the “new regionalism.”¹¹²

Applying these perspectives to Tokyo, strengthening the wards should promote greater decentralization but the lack of financial reform undermines this effort. The classic writings on these subjects by Beard and Robson are still useful for understanding urban processes and metropolitan governance in Tokyo and other metropolitan cities. And some of their specific prescriptions for Tokyo are still valid today (e.g., Robson on ward sizes, need for financial reform and elimination of ward/Tama area local governments). However, their general philosophical frameworks promoting integrated metropolitan governments for governing city-regions no longer fits the scale of urban society in the 21st century. Today, metropolitan governments fail because of the inability to politically establish (or enlarge) them. Further, the boundaries of metropolitan governments are too large in spatial area and population to efficiently govern. This leads to the need to consider alternative ways to promote horizontal and vertical coordination among and between governments and to enhance mechanisms for accountability to citizens. Here, the ideas of Self and Bookchin are probably more relevant to designing a metropolitan system of governance in Tokyo and around the world.

NOTES

1. Approximately 25 officials in local government and central ministries were interviewed over 9 months in 1997-98 and on a return visit in October 1999.

2. P. P. Karan, “The City in Japan,” in *The Japanese City*, P. P. Karan and Kristin Stapleton, eds. (Lexington: University of Kentucky Press, 1997).

3. *Ibid.*, 15-20.

4. *Ibid.*

5. *Ibid.*, 21.

6. *Ibid.*

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7. Ibid., 22.
8. Junjiro Takahashi and Noriyuki Sugiura, "The Japanese Urban System and the Growing Centrality of Tokyo in the Global Economy," in *Emerging World Cities in Pacific Asia*, Fu-chen Lo and Yeung Yue-man, eds. (Tokyo: United Nations University Press, 1996), 101.
9. Karan, "The City in Japan," 24-25.
10. Ibid., 25.
11. Yasuo Miyakawa, "Japan: Towards a World Megalopolis and Metamorphosis of International Relation," *Ekiatics* 340, No. 341 (1990), 48-75.
12. Karan, "The City in Japan."
13. Ibid., 35-36.
14. Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton: Princeton University Press, 1991).
15. Akira Nakamura, "The 'Tokyo Problem' and the Development of Urban Issues in Japan," in *Globalization and Centralization*, Jong S. Jun and Deil S. Wright, eds. (Washington, DC: Georgetown University Press, 1996); Richard Child Hill and Kuniko Fujita, "Osaka's Tokyo Problem," *International Journal of Urban and Regional Research*, 1995, 181-192.
16. Takahashi and Sugira, "The Japanese Urban System," 110.
17. Ibid., 104.
18. Theodore J. Gilman, "Same Old, Same Old? Center-Local Relations in Urban Redevelopment," in *Local Voices, National Issues: The Impact of Local Initiative in Japanese Policy-Making*, Sheila A. Smith, ed., Michigan Monograph Series in Japanese Studies No. 31 (Ann Arbor: Center for Japanese Studies, University of Michigan, 1997).
19. It should be noted that Tokyo Metropolitan Government is the result of a consolidation of the City of Tokyo and the Tokyo Prefecture (discussed later).
20. Yousuke Isozaki, ed., *The Local Administration in Japan* (Tokyo: Local Autonomy College, 1997).
21. Steven R. Reed, *Japanese Prefectures and Policymaking* (Pittsburgh: University of Pittsburgh Press, 1986).
22. Ibid., 23.
23. Kitamura, 1980, 129. One estimate of delegated functions to municipalities was 30 to 75 percent (Reed, *Japanese Prefectures*, 26).
24. Reed, *Japanese Prefectures*, 26.
25. In 30 of the 47 prefects, MHA officials held the top finance post in 1975 (Reed, *Japanese Prefectures*, 34).
26. Nobuo Sasaki, "A Study of the Political Leadership of Tokyo Metropolitan Governors: In Search of the Ideal of Decentralization in Japan," *International Review of Administrative Sciences* 64 (1998), 247-260.
27. Junshichiro Yonehara, "Financial Relations Between National and Local Governments," in *Japan's Public Sector: How the Government is Financed*, Tokue Shibata, ed. (Tokyo: University of Tokyo Press, 1993).

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28. Isozaki, 1997, 484.
29. Sasaki, 1998, 248.
30. Kurt Steiner, *Local Government in Japan* (Stanford, CA: Stanford University Press, 1965); Kimihiko Kitamura, "Local Government in Japan," in *Local Democracies: a Study in Comparative Local Government*, Margaret Bowman and William Hampton, eds., 1983; Terry E. MacDougall, "Democracy and Local Government in Postwar Japan," in *Democracy in Japan*, T. Ishida and E. S. Krauss, eds. (Pittsburgh, PA: University of Pittsburgh Press, 1989).
31. MacDougall, 1989, 141-142.
32. Ibid., 142-143.
33. Ibid., 147.
34. Ibid., 148.
35. Ibid.
36. Ibid.
37. Michio Muramatsu, *Local Power in the Japanese State* (Berkeley: University of California Press, 1997).
38. Reed, *Japanese Prefectures*.
39. Sheila A. Smith, ed., *Local Voices, National Issues: The Impact of Local Initiative in Japanese Policy-Making*, Michigan Monograph Series in Japanese Studies No. 31. (Ann Arbor: Center for Japanese Studies, University of Michigan, 2000).
40. Shinoda Tomohito, *Leading Japan: The Role of the Prime Minister* (Westport, CT: Praeger, 2000).
41. Ibid., 127-129. The First Rincho was in 1962-64. The difference between the First Rincho and the Second was the existence of a crisis.
42. Tomohito, 130.
43. Ibid., 132-134.
44. Ibid., 134.
45. Ibid., 135-136.
46. Ibid., 142.
47. Ibid.
48. Ibid., 183.
49. Ibid., 184-185.
50. Ibid., 197.
51. Ibid., 197.
52. Ibid., 198.
53. Ibid., 214-215.
54. Hiromi Muto, "Strategies of Administrative Reform in Japan," in *Future Challenges of Local Autonomy in Japan, Korea, and the United State*, Fukashi Horie and Masaru Nishio, eds. (Tokyo: National Institute for Research Advancement, 1997).
55. Jong S. Jun and Hiromi Muto, "The Politics of Administrative Reform in Japan: More Strategies, Less Progress," *International Review of Administrative Sciences* 64 (1998), 195-202.

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56. Council of Local Authorities for International Relations, *Local Government in Japan* (Tokyo, 1997), 63-64.
57. *Ibid.*, 64.
58. *Ibid.*, 65-66.
59. Interview by author.
60. Fukashi Horie, "Intergovernmental Relations in Japan: Historical and Legal Patterns of Power Distribution Between Central and Local Governments," in *Globalization and Decentralization: Institutional Contexts, Policy Issues, and Intergovernmental Relations in Japan and the United States*, Jong S. Jun and Deil S. Wright, eds. (Washington, DC: Georgetown University Press, 1996), 62.
61. Naohiko Jinno, "Fiscal Reform and a Strategy for Enhancing Local Government Revenues," in *Future Challenges of Local Autonomy in Japan, Korea, and the United States*, Fukashi Horie and Masaru Nishio, eds. (Tokyo: National Institute for Research Advancement, 1997).
62. Demetrios Caraley, "Washington Abandons the Cities," *Political Science Quarterly* 10 (1992), 1-30.
63. Jinno, "Fiscal Reform," 211-212.
64. Akira Nakamura, "Administrative Reform Japanese Style- Decentralization of Central Power: A Cross National Comparison," in *Future Challenges of Local Autonomy in Japan, Korea, and the United States*, Fukashi Horie and Masaru Nishio, eds. (Tokyo: National Institute for Research Advancement, 1997).
65. *Ibid.*, 399.
66. L. J. Sharpe, ed., *The Government of World Cities: The Future of the Metro Model* (New York: John Wiley and Sons, 1995).
67. Between 1982 and 1992, office floor space went from 2219 ha to 3195 ha in the central downtown wards (H. Togo, "The Metropolitan Strategies of Tokyo: Toward the Restoration of Balanced Growth," in Sharpe, *The Government of World Cities*), 181.
68. Togo, "The Metropolitan Strategies of Tokyo," 184-201.
69. About 32,000 persons live on the islands. Tokyo Metropolitan Government, *Tokyo: Services for Today, Challenges for Tomorrow* (Tokyo: Liaison and Protocol Section, International Affairs Division, Bureau of Citizens and Cultural Affairs, 1997), 7.
70. *Ibid.*, 11-12.
71. *The Daily Yomiuri*, March 30, 1998, 3.
72. TMG, Tokyo: *Services for Today*, 16-18.
73. The prefecture is comparable to a county government in the United States. Given Tokyo's primacy, the prefect takes on added importance as the capital city and the center of finance, economy, and culture. However, it should be remembered that Japan is a unitary state and that there are no states or provinces.

74. T. Shibata, "Financing the Tokyo Metropolis," in *Japan's Public Sector: How the Government is Financed*, T. Shibata, ed. (Tokyo: University of Tokyo Press, 1993).

75. Ibid.; Togo, "The Metropolitan Strategies of Tokyo"; TMG, *Tokyo: Services for Today*.

76. These three taxes account for about 40 percent of TMG's own source of revenues (Shibata, "Financing the Tokyo Metropolis," 185). This has greatly bolstered TMG's revenues and made it much less dependent upon the central government. Prefectures in Japan obtain about 40 percent of their revenues from prefecture taxes, whereas TMG collects about 78 percent from its own taxes (including the municipal taxes in the 23 wards) (Shibata, "Financing the Tokyo Metropolis," 185). TMG's revenues are also higher than other prefects because of the concentration of corporate offices and professional services in Tokyo.

77. TMG, *Tokyo: Services for Today*, 31; Shibata, "Financing the Tokyo Metropolis."

78. In Japan, there are two distinct types of urban government systems, each providing a different relationship between the prefecture and the municipalities. TMG and the special wards (To-seido) have a unique arrangement found only in the capital city. The second case is that found in the 12 Designated Cities, cities with more than 500,000 persons, and their home prefectures (Osaka, Kyoto, Nagoya, Yokohama, Kobe, Kitakyushu, Sapporo, Kawasaki, Fukuoka, Hiroshima, Sendai, and Chiba) (Council of Local Authorities for International Relations, *Local Government in Japan*, 44).

79. TMG, *Tokyo: Services for Today*, 30.

80. This information is based upon a translation of sections of the Metropolitan-Ward Council, *Final Report on the Tokyo Ward System Reform* (Draft), September, 1994.

81. Interview by author.

82. At the time of the 1975 reform, the ward regained personnel management rights to select their own officials, except for teachers. The current reforms extended this right to include teachers.

83. Interview by author.

84. An official responsible for planning in a smaller ward estimated that the ward might need an additional 50 to 60 staff members to handle added responsibilities in planning, building control, and design management (interview by author).

85. Interview by author.

86. Interview by author.

87. Interview by author.

88. In the Tama area, the municipalities, towns and villages provide this service.

89. This underscores the role of culture and history in determining the division of service responsibilities among and between different levels of govern-

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ment. In the United States, collection of waste is considered a municipal service while disposal is usually thought to be a regional service best provided by a county or larger unit.

90. Interview by author.

91. William A. Robson, *Report on Tokyo Metropolitan Government* (Tokyo: Tokyo Metropolitan Government and Tokyo Institute for Municipal Research, 1967), chap. 3.

92. Interview by author.

93. An official in the Ministry of Home Affairs indicated that a study will likely be undertaken to consider consolidation of special wards in central Tokyo and possible expansion of the 23 wards closest to the Tama area as well as consideration of a better urban government system for ordinance-designated cities.

94. J. Logan and H. Molotch, *Urban Fortunes* (Berkeley: University of California Press, 1987).

95. Interview by author.

96. Interview by author.

97. Robson, *Report on Tokyo Metropolitan Government*.

98. *Ibid.*, chap. 3, 14.

99. Peter Self, "London and Tokyo: Robson's Influence and Recent Developments in Two Great Cities," *The Toshi Mondai* (Municipal Problems [The Journal of the Tokyo Institute for Municipal Research]) 87, No. 12 (Dec. 1996), 3-36 (Japanese edition; original English version provided to author).

100. *Ibid.*, 26.

101. Peter Self's article, "London and Tokyo: Robson's Influence and Recent Developments in Two Great Cities" was written as a tribute to the Professor William Robson and his influence on the development of London and Tokyo and their governance systems.

102. Another approach is proposed by Professor Masamichi Royama, *The Papers on Studies in Public Administration* (Tokyo: Keiso Shobo, 1965), who calls for a "governmental-administrative system" to consolidate and coordinate regional administrative functions in the Tokyo region.

103. Self, "London and Tokyo," 30.

104. L. J. Sharpe, 1995; Jong S. Jun and Deil S. Wright, eds., *Globalization and Decentralization: Institutional Contexts, Policy Issues, and Intergovernmental Relations in Japan and the United States* (Washington, DC: Georgetown University Press, 1996); Jordi Borja and Manuel Castells, *Local and Global: Management of Cities in the Information Age* (London: United Nations Centre for Human Settlement, 1997).

105. Charles Beard, *The Administration and Politics of Tokyo* (New York: Macmillan, 1923).

106. Robson, *Report on Tokyo Metropolitan Government*.

107. Charles Beard and William Robson made extensive study and recommendations for structuring Tokyo Metropolitan Government at the invitation of

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Tokyo officials. Charles Beard, a director of the Bureau of Municipal Research (New York City) visited at the invitation of the Institute for Municipal Research in Tokyo in 1922. After the Earthquake in 1923, Beard returned to assist Tokyo officials in rebuilding the city. Many of his recommendations were put into place. William Robson, a prominent British scholar and leading proponent of metropolitan government in London, studied Tokyo Metropolitan Government at the invitation of TMG officials resulting in two reports, one in 1967 and the other in 1969.

108. Peter Self, "London and Tokyo."

109. Murray Bookchin, 1995.

110. H.V. Savitch and Ronald K. Vogel, "The New Regionalism and Its Policy Agenda," *State and Local Government Review*, forthcoming.

111. Altshuler et al., 1999.

112. Parks and Oakerson, forthcoming. The alternative is for coordination to be imposed from higher level government. In the United States, a value preference for local autonomy in the past has reduced this tendency. However, concern over sprawl and the need for effective growth management has led some states to be more pro-active in regional policymaking. States have also shown more willingness to exercise their authority to restructure local government. Georgia, for example, has aggressively promoted city-county consolidation.