



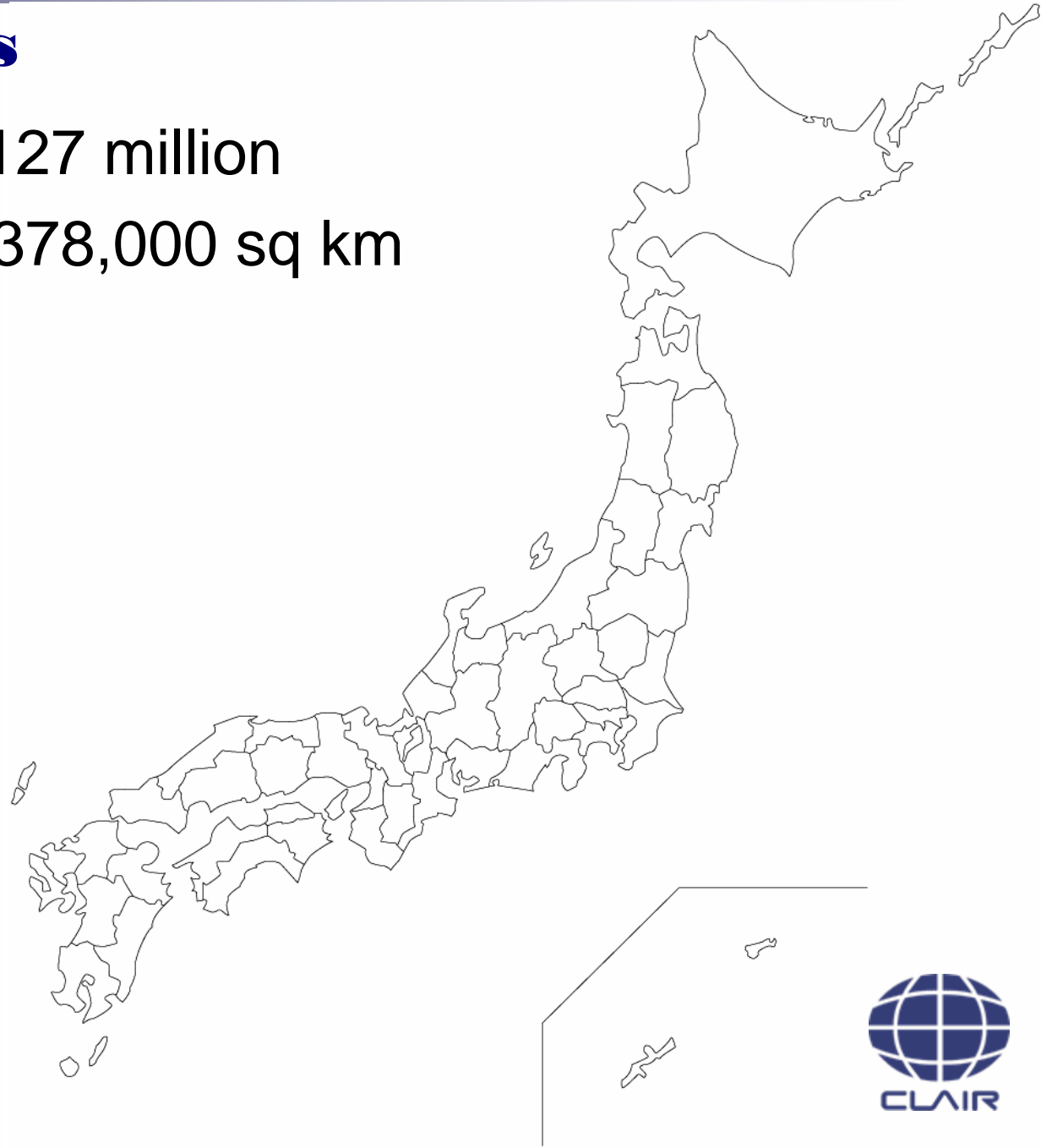
Local Government in Japan

- An Introduction

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General Facts

- Population 127 million
- Area 378,000 sq km



Three Tiers of Government

Central
Government

Diplomacy, Defence, Judiciary,
Pension, Health insurance

Local Government

Prefectural
Government

Police, Disaster management ,
Senior high school(yrs 10-
12),welfare and health
services,infrastructure, industry
prmotion

Municipal
Government
(City, Town & Village)

elementary and junior high school,
Fire defence & ambulance,
waste management



Constitution of Japan adopted in 1946

■ ***Chapter 8 Local Autonomy***

- Recognises local government as *essential to democracy* and establishes it as part of the nation's system in governance

Local Autonomy Law

- Provides fundamental structures and operations of local government
- Two tiers of local government: Prefectures and Municipalities

Dual Roles of Local Government

- Implementing local govt's own functions
- Implementing statutory functions ensured by central government



Municipalities (1,778)

- Cities (784), Tokyo's Special Wards (23), Towns (784) & Villages (187)
- Authority closest to the citizens
- Population varies from 200 to 3.6 million
- Provides basic services and infrastructure to community (principle of subsidiarity)

e.g. resident registration

compulsory education (yrs 1-9)

welfare & health services

**rubbish collection and disposal, recycling, environment protection,
fire defense & ambulance service**

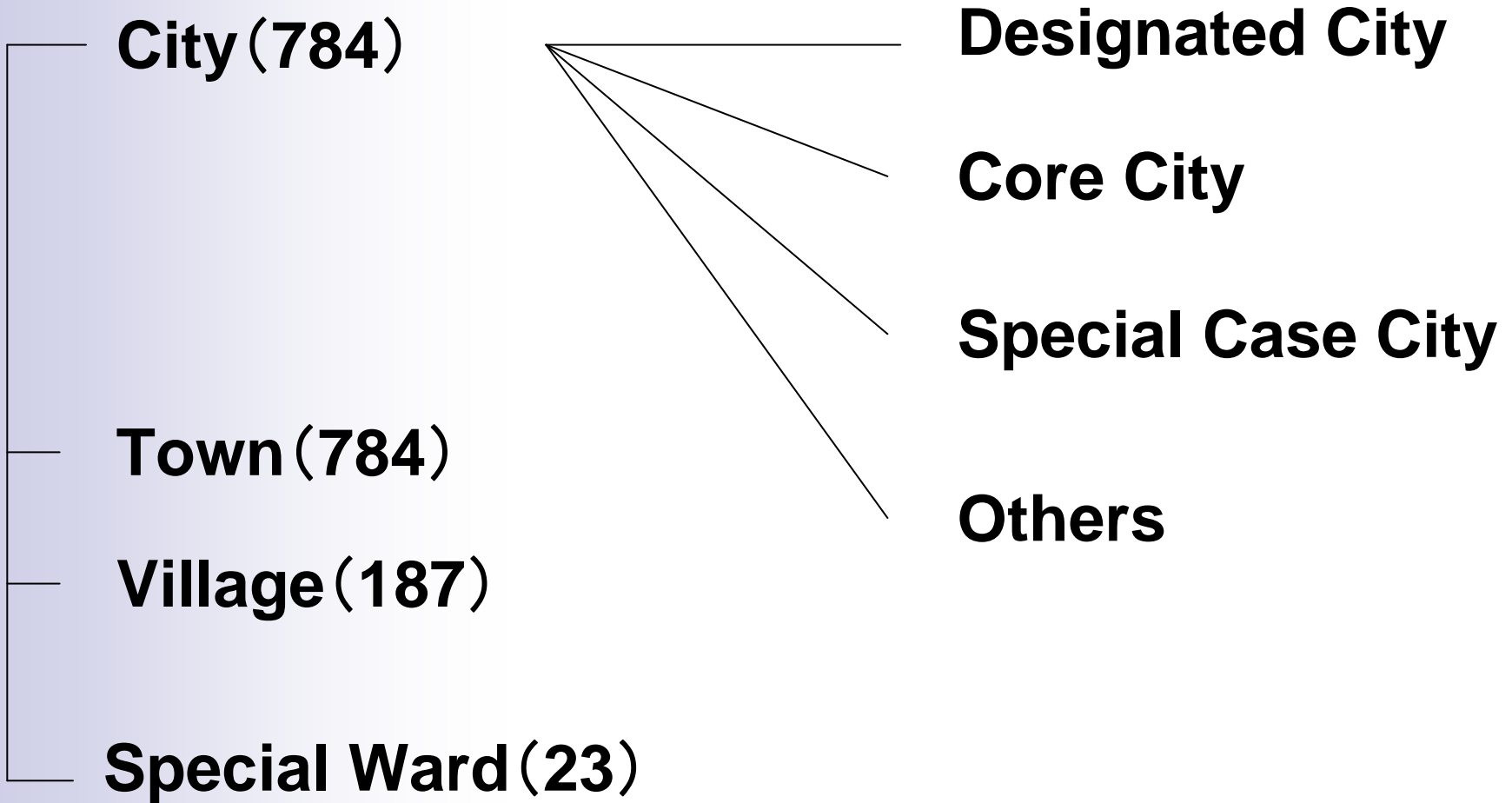
**community roads, water supply, sewage, cultural & recreational
facilities**

city planning

*Major cities also administer some roles and responsibilities of prefectures



Classification of Municipalities



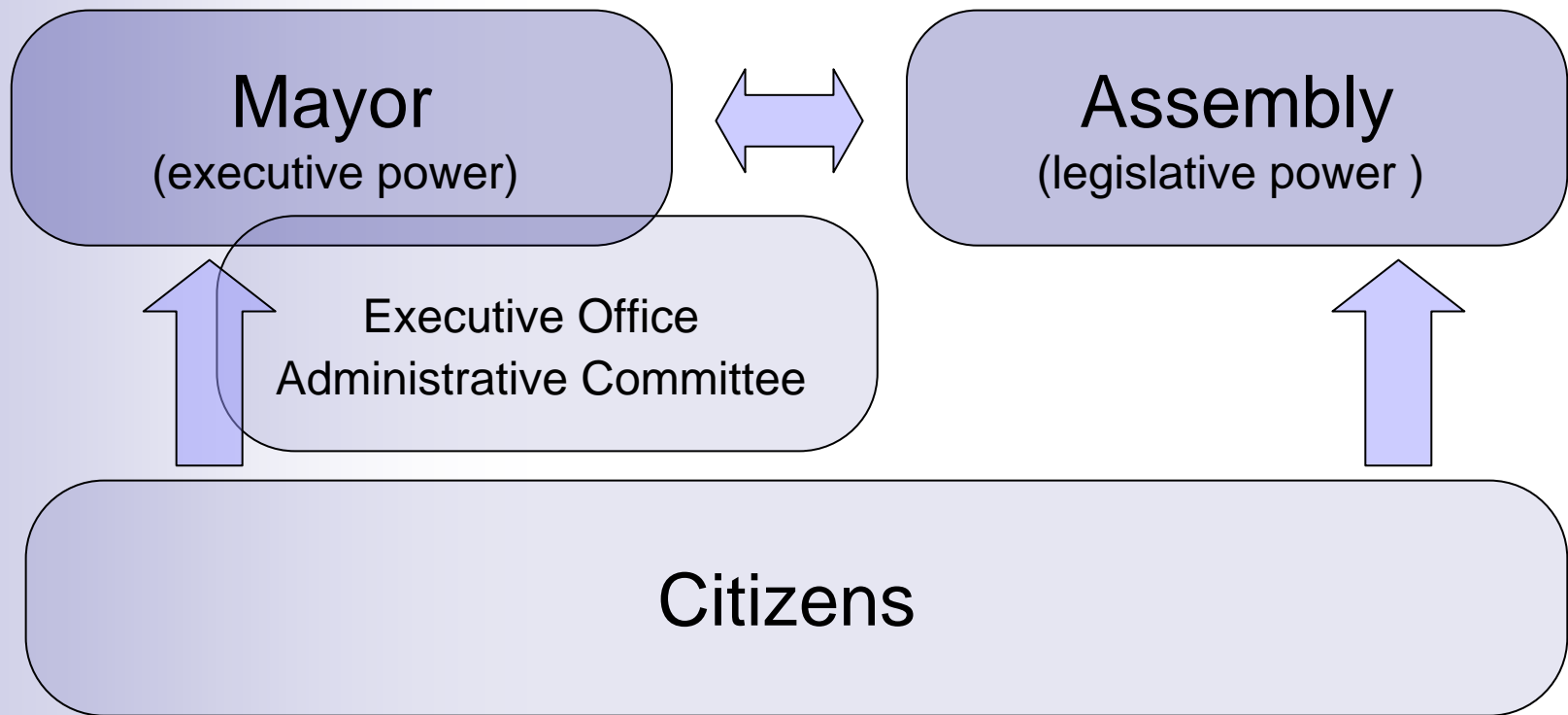
Prefectures (47)

- Population varies from 610,000 to 12 million
- Incorporates wide area covering 15 to 179 municipalities
 - i) Functions over large area
 - ii) Facilitates communication between central government and municipalities
 - iii) Gives advice and recommendations to municipalities
 - iv) Deals with matters in which the scale or characteristics of operation are deemed inappropriate for municipalities

e.g. police service, disaster management
senior high school (yrs 10-12)
welfare and health services
environment protection
major roads, large scale parks, cultural and recreational facilities
industry promotion



Basic Structure of Local Municipality



- Local Autonomy Law provides uniformity in structure and operation of local government
- Quality and standard of services should be similar throughout the nation

Assembly → Legislative Power

- Members of Assembly directly elected by the Citizens (4-year term)

- Number of Members 5 to 92

- Roles:
 - Enactment of by-laws (local acts) within national laws
 - Approval of annual budget
 - Give assent to annual financial report
 - Give consent to top management appointments

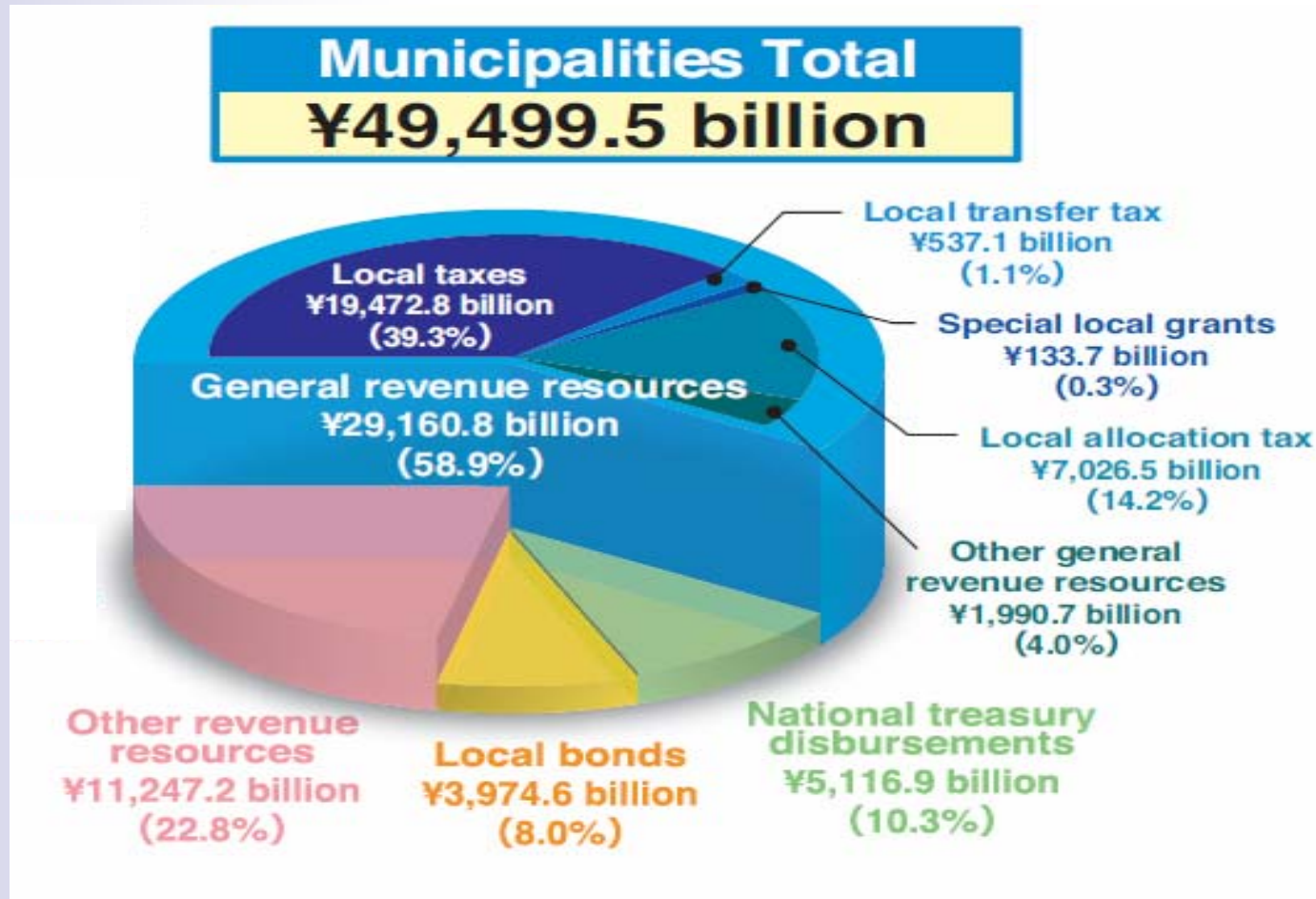
Mayor → Executive Power

- Directly elected by the Citizens (4-year term)
- Roles:
 - Represent the municipality
 - Chief executive of the local government
 - Impose taxes and charges
 - Permit expenditures
 - Appoint personnel
 - Make contracts/agreements
 - Strategize long-term plans



Local Public Finance - Revenue

■ Revenue breakdown (FY2007)

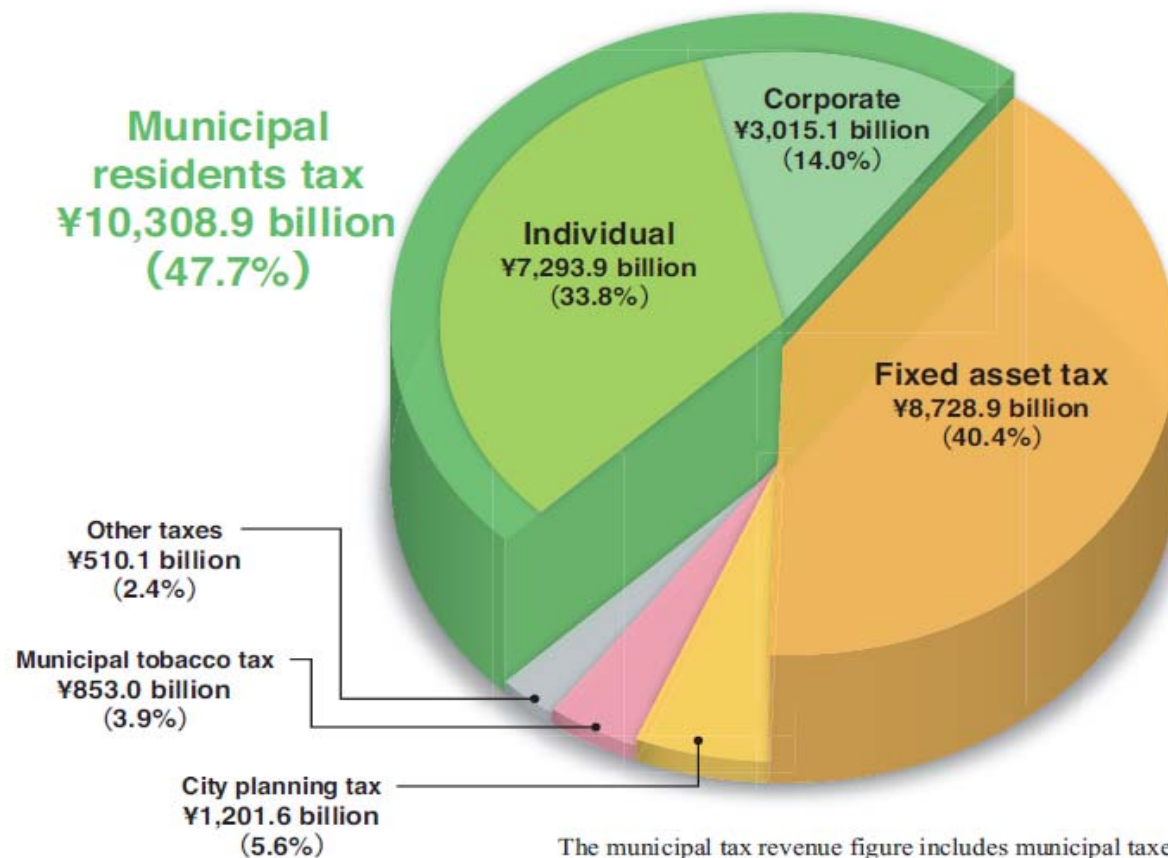


Municipal taxes

Composition of Revenue from Municipal Taxes (FY 2007 settlement)

Total

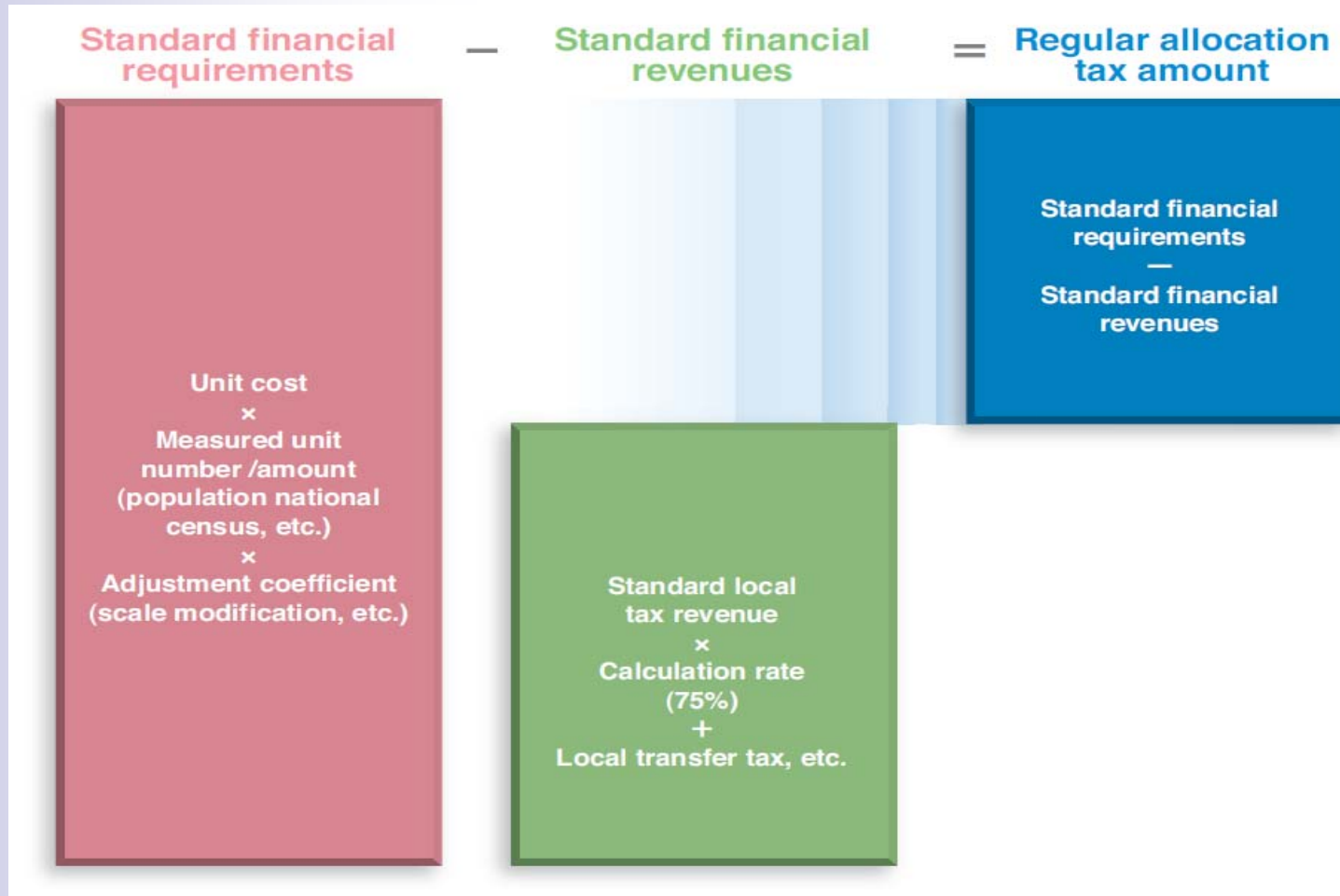
¥21,602.6 billion



The municipal tax revenue figure includes municipal taxes collected by Metropolitan Tokyo.

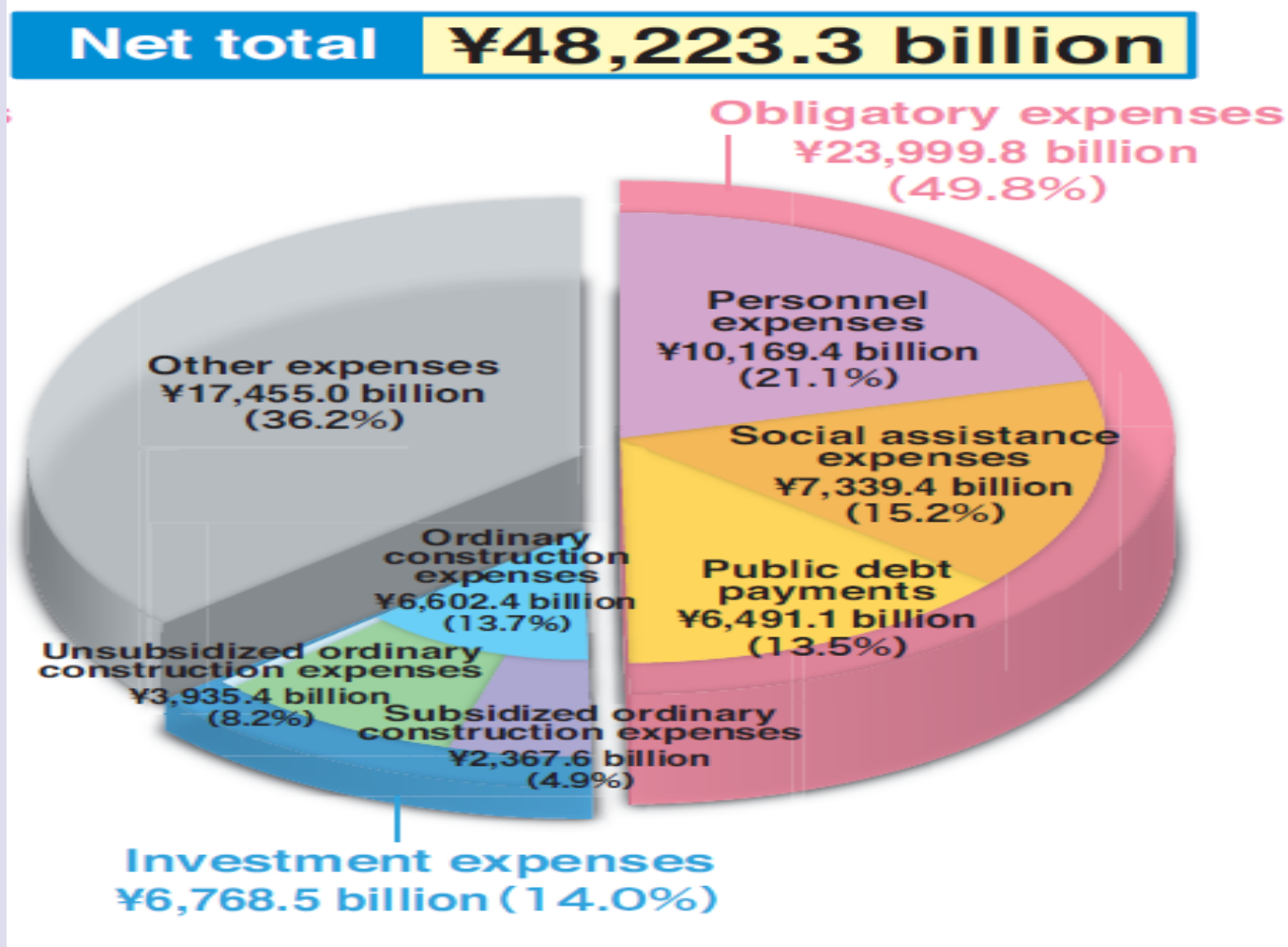
Local Allocation Tax

■ Method of allocation



Local Public Finance - Expenditure

■ Expenditure breakdown (FY2007)

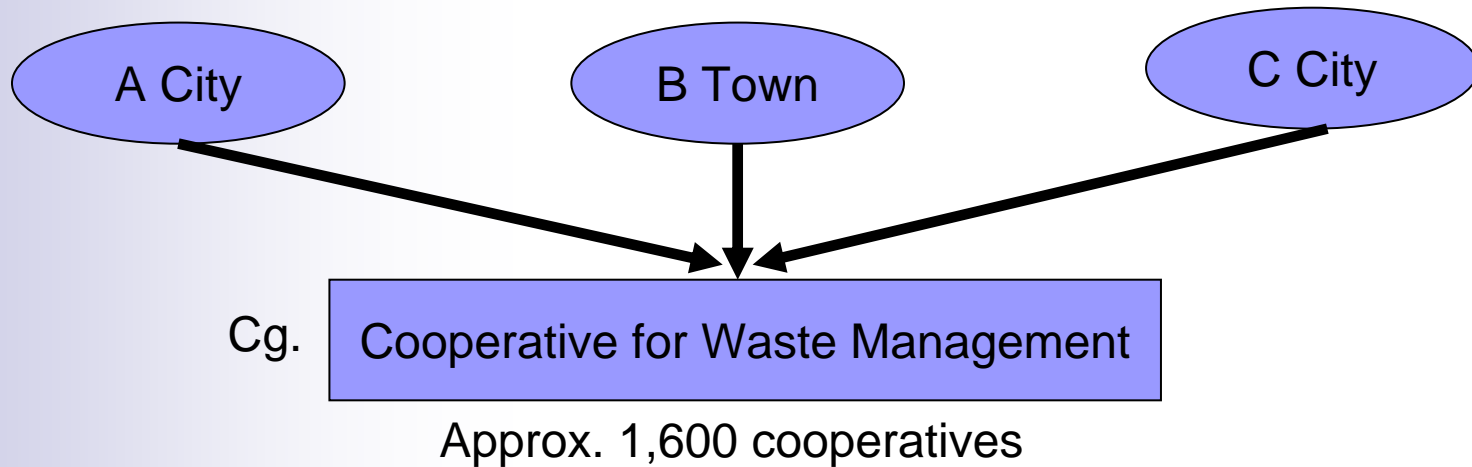


“Decentralisation”

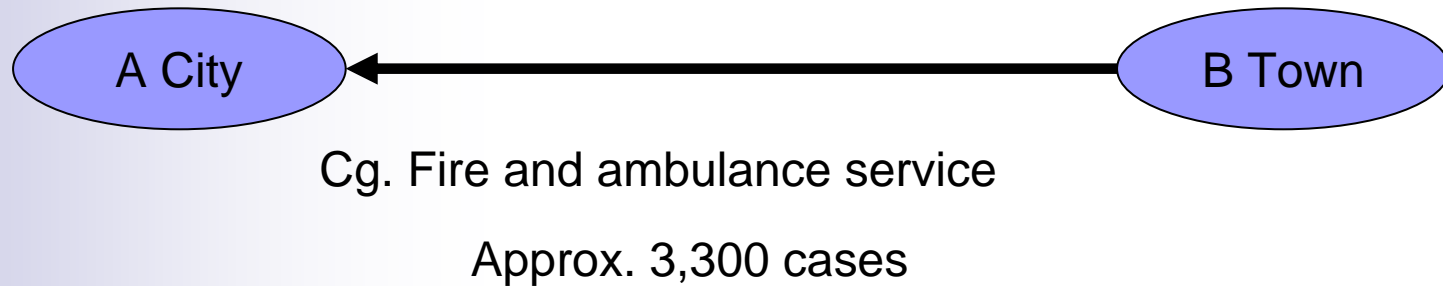
- Local Government - closest to the community - is in the best position to provide governance at the local level
 - Transfer roles and responsibilities to LG
 - Transfer financial resources to LG
 - Reduce involvement of Central Government

Cooperation and Resource Sharing

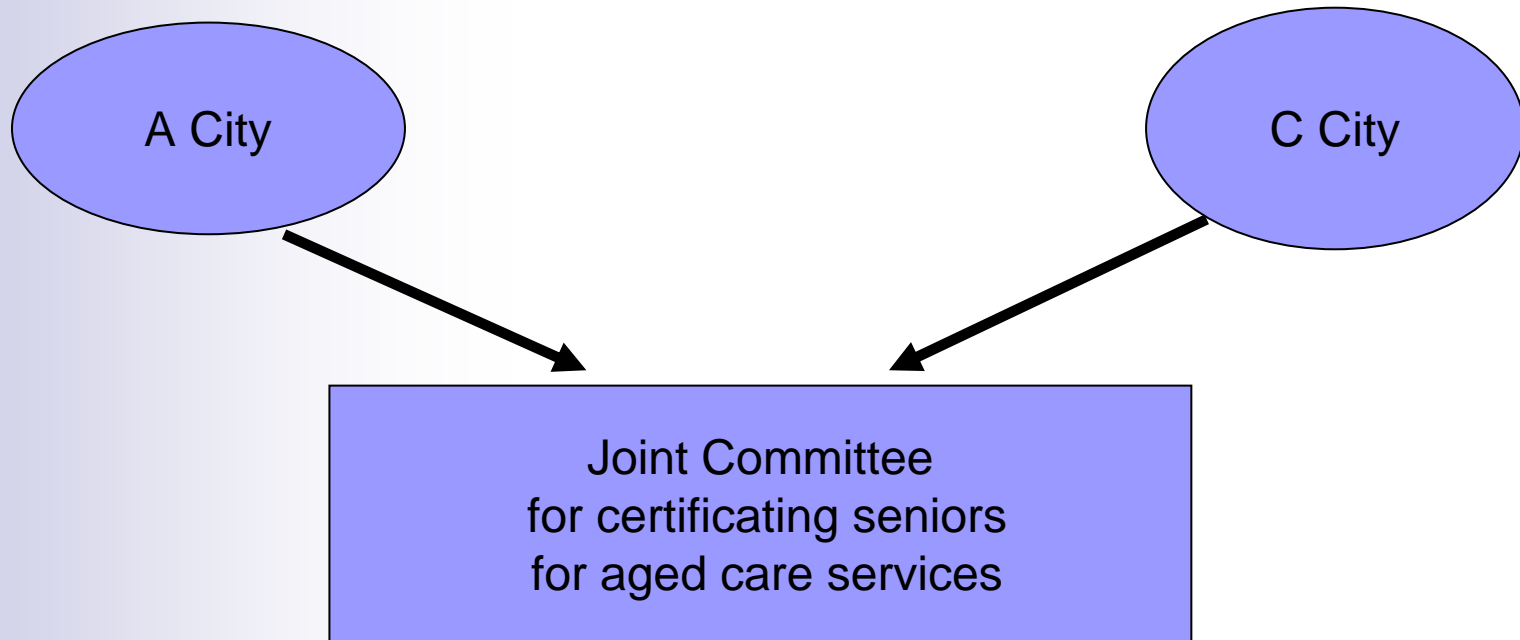
■ Cooperative of Municipalities



■ Delegation of function



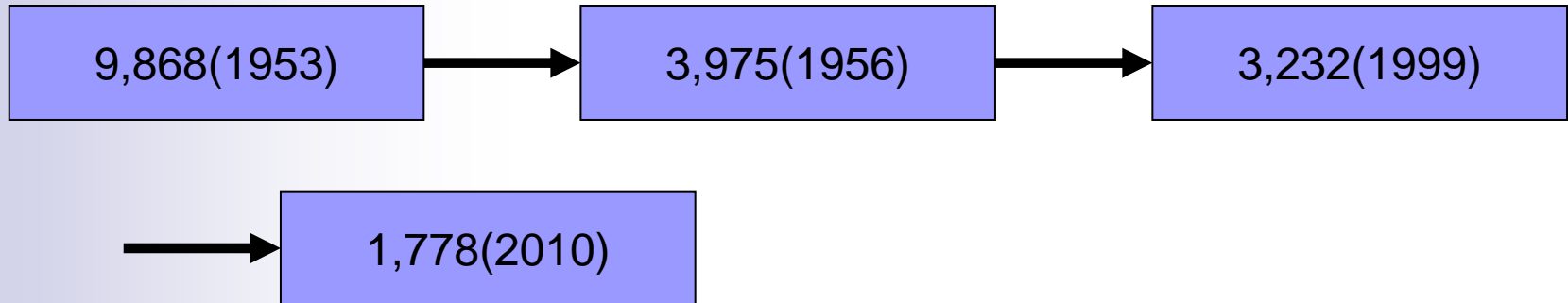
■ Joint agency



Approx. 400 cases

Amalgamation of Municipalities

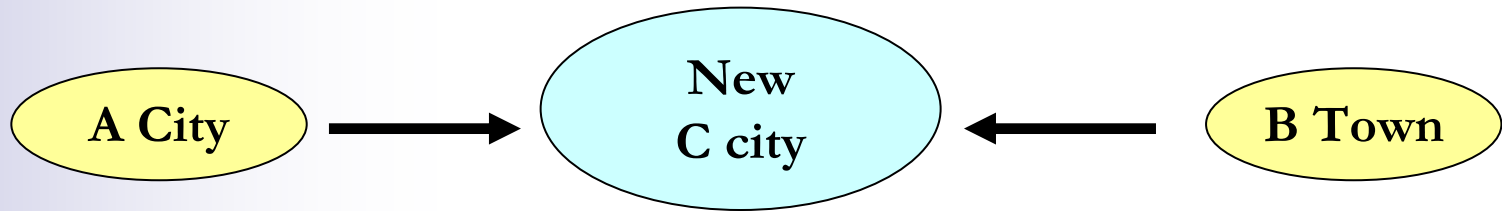
■ Transition on Numbers of municipalities



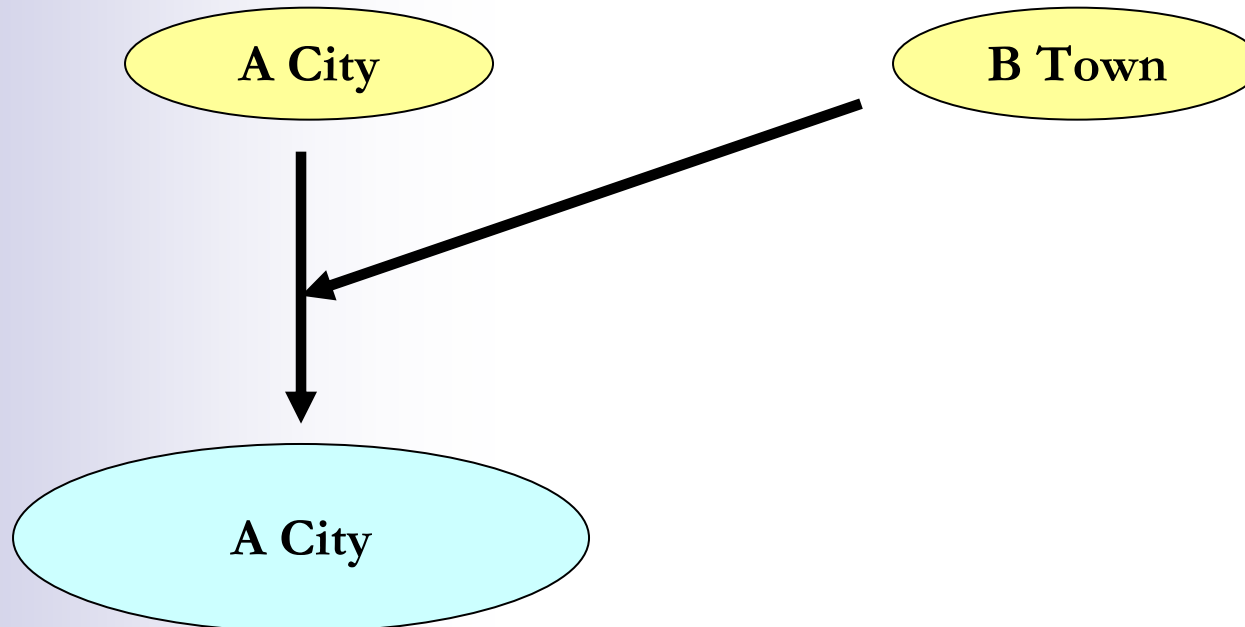
- Local Autonomy Law(1946)
 - Municipal Amalgamation Law(1965)
- ↓
- Municipal Amalgamation Promotion Law(1999)
 - Amended in 2005

Methods of Amalgamation

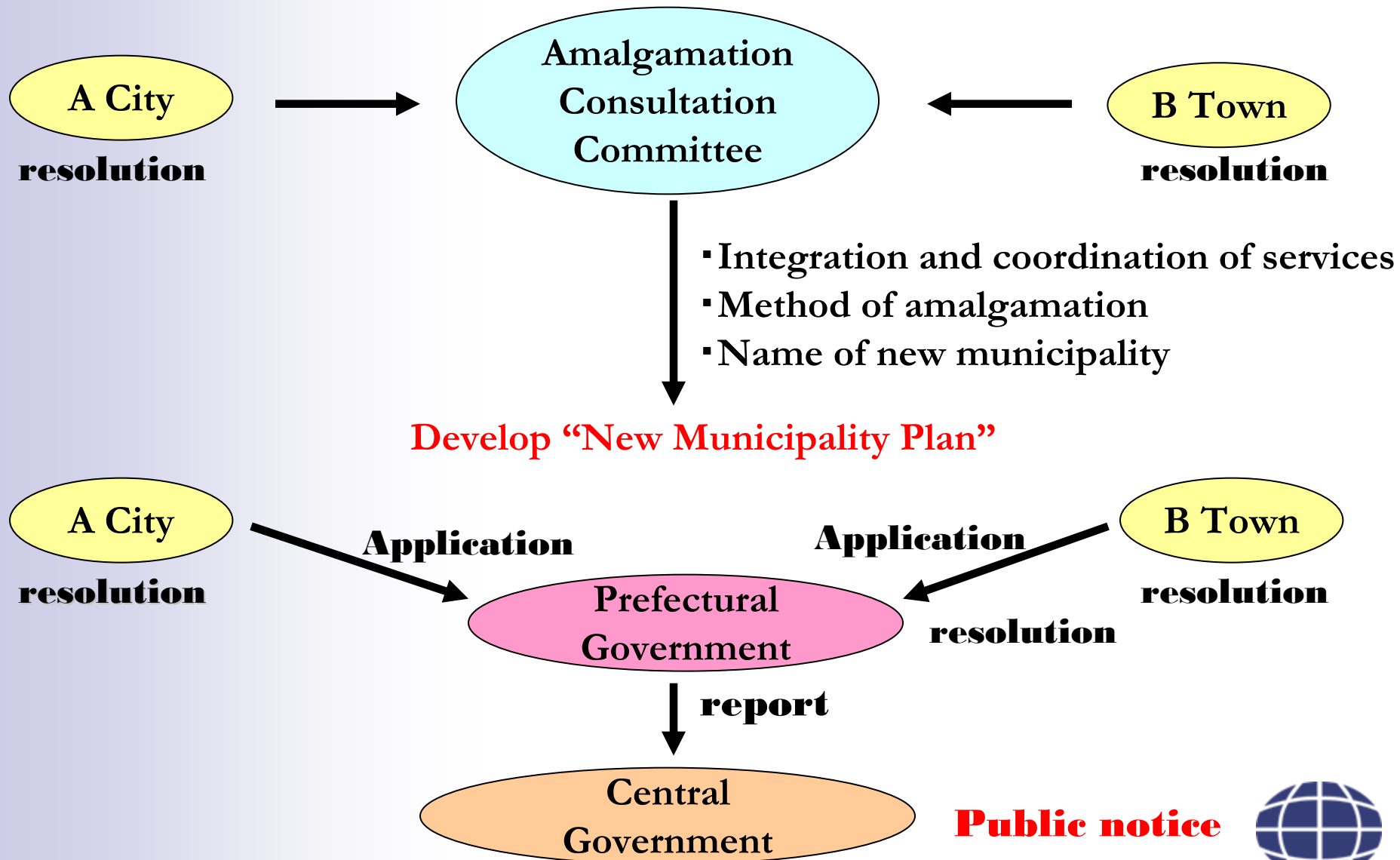
(Merger of municipalities)



(Amalgamation by acquisition)



Procedures for Municipal Amalgamation



Amalgamation in Japan

- Achieved voluntarily by municipalities
- Strong advice by central and prefectural government
- Special measures to reduce the obstacles to amalgamation
- Special financial and administrative incentives for promoting amalgamation

Support by Central Government

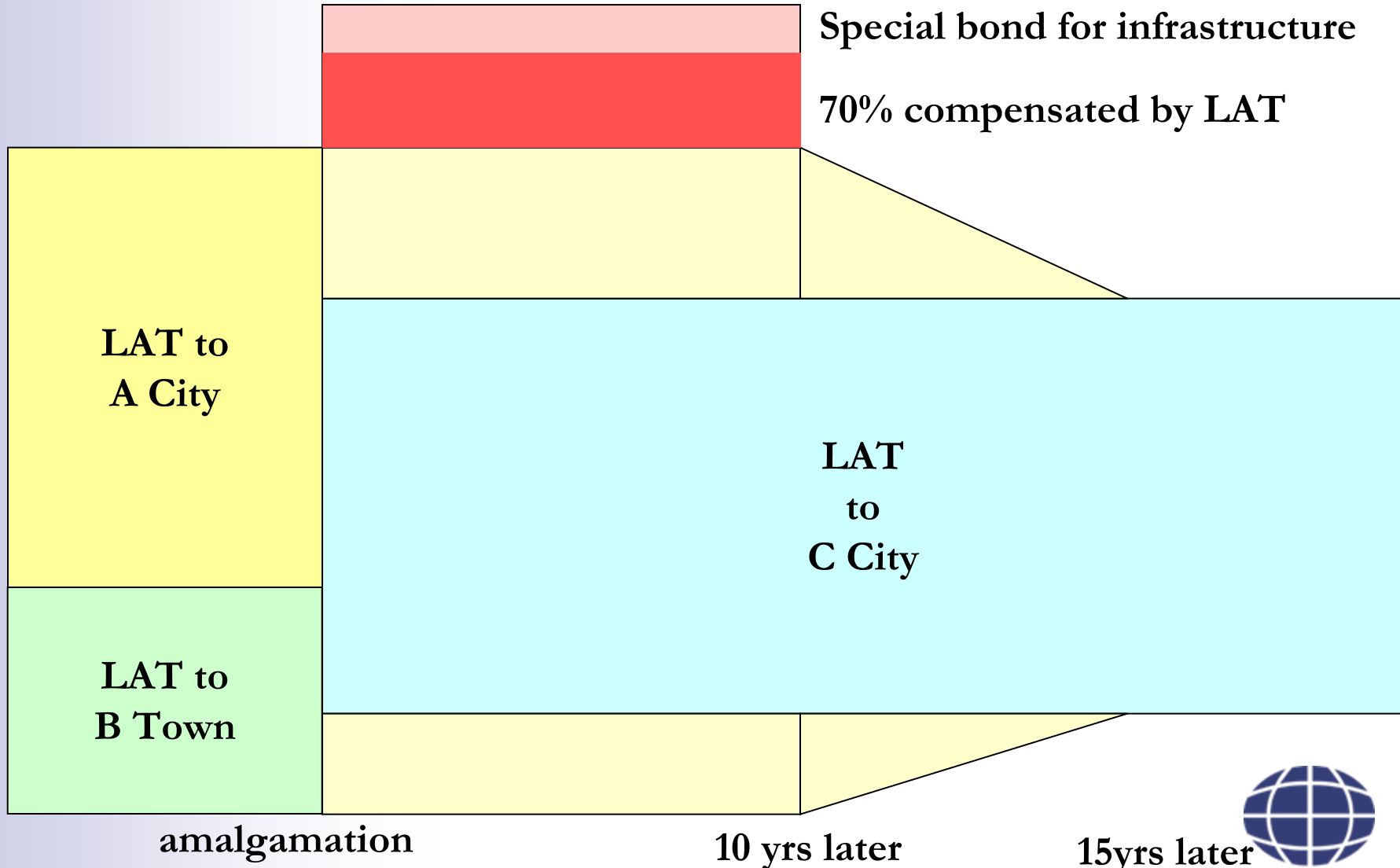
- Municipal Amalgamation Supporting Headquarters
Chair : Minister for Internal Affairs
Members : All Vice Ministers of the Government
- Plan for Supporting Municipal Amalgamation
Developed by all the Ministries and Agencies



Special Measures to eliminate/mitigate impediments for amalgamation

- Special provision to extend term of Member of Assembly or to increase upper limit of number of MA for a certain period after amalgamation
- Special distribution formula to guarantee LAT for amalgamated municipality(10-15 years)

Special LAT guaranteeing measure for amalgamated municipalities



Special financial and administrative incentives to promote amalgamation

- Special financing bond for amalgamated municipality
 - for infrastructure building
 - with 70% compensated through distribution of LAT
- Special subsidies from central and prefectural government for pre-amalgamation and post-amalgamation process
- Special criteria to become “city” for amalgamated municipality