AUTHORITY OF THE NATIONAL AND LOCAL GOVERNMENTS UNDER THE CONSTITUTION

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I

INTRODUCTION

The major thrust of this article is to examine the theory and practice of the constitutionally prescribed functions of local governments in Japan. We will first describe how local government has been guaranteed under the 1947 Constitution. We will touch on the circumstances under which the Constitution came to include the principle of local autonomy in its provisions. Second, we will describe how those constitutional provisions regarding the local governments have developed in relation to the national government. These findings will show the centralization of national power and the erosion of local autonomy in postwar Japan. Third, we will describe how local governments today seem to cope with centralized national power. The focus of our discussion of national-local relationships will not be on the state of local autonomy that the Constitution anticipated at the time of its enactment. Instead, the discussion will deal with the state of local autonomy as it has evolved under the Constitution. Local autonomy under the current Constitution is based on the principle of civilian control, and this principle should never be compromised lest characteristics of local autonomy be changed. Otherwise, local identities based on the nature, the culture, and the mentalities of each district may be weakened or even lost. There always must be an adequate sharing of governing functions between the local and central governments. Today, however, the national government tends to manage even matters of local concern as national matters by delegating authority to the heads of the local communities through laws and government ordinances. In Japan this procedure is called “agency delegation”; however, local government should not be obliged to follow this procedure all the time. In the next section, this article will discuss the specific ways in which autonomy should be practiced.
II

LOCAL AUTONOMY CONCEIVED BY THE CONSTITUTION OF JAPAN

This section will first describe how the Constitution guarantees local autonomy in relation to the central government. In 1947 the Constitution and the Local Autonomy Acts reformed the political structure under the Meiji Constitution based on the ideas of freedom and democracy. Reform through the Local Autonomy Acts was guided by the General Headquarters ("GHQ"), which realized that public local entities were the lowest unit of the central government's structure in prewar Japan and had the least amount of autonomy. These considerations also led to the establishment of human rights and new political structures. The Supreme Commander of Allied Powers ("SCAP") was steadfast in insisting on organizing a committee on local government reform and also inserting clear provisions on local autonomy in the Constitution.

In the process of the committee deliberations, two different opinions appeared. One group, led by Merle Rowell, suggested that the newly organized local governments be tailored in an American fashion. Indeed, the group advocating the American model went so far as to suggest a "home rule" provision for Japan. In contrast, another group spearheaded by Charles Kades took an approach that recognized a long tradition of central control in Japanese history. The latter contended that some degree of centralization would be inevitable even under a democratic system of a postwar government.

Having had strenuous discussions on these issues, on March 13, 1946, SCAP finally came up with its reform idea for Japanese local governments, which General Whitney, legal chief of SCAP, submitted to Shoji Matsumoto, chairman of the Investigation Committee for Constitutional Affairs. There was no article for local government in the draft Constitution submitted by the Japanese Government. However, the draft Constitution designated by SCAP contained rules for the direct election of each governor, mayor, and local and prefectural assemblyman. It also included the right of local governments to enact their own charters and, by consent of the majority of voters, to establish a special ordinance applicable to only one local public entity.

3. The GHQ criticized the draft Constitution submitted by the Japanese Government, saying there were no regulations on local autonomy:

   The draft by J. Matsumoto lacks two most important points. It does not mention anything about local governments. There are no guarantees or proposals for the inhabitants of the local public entities to participate in their own local political matters. Moreover, there entirely lacks the stipulation that the Constitution is the supreme law of the nation. This would mean that the Japanese nation remains the same as before and that the organizations beyond the laws which have been the main character of the past Japanese political system still are out of the laws. These are the crucial points of the draft.

M. Narumi, supra note 1, at 44; see also K. Steiner, Local Government in Japan 69-71 (1965).
4. The relevant contents of the draft Constitution are as follows:
The Japanese Government, especially the Ministry of Interior, expressed disapproval of that draft, and objected to the direct election of prefectural governors. As a result, based on the draft by the GHQ, the Constitution has come to provide for the following: (1) rules and regulations governing local public entities to be fixed in accordance with "the principle of local autonomy"; (2) the direct popular election of executive officers and assembly members in all local public entities; (3) the right of local public entities to manage local government property, affairs, and administration and to enact their own regulations; and (4) consent by the majority of the voters before any special law applicable to one local public entity can be enacted by the Diet.

As these rules express, it is significant that the Constitution guarantees local autonomy. The following points are especially important. First, the Constitution clearly points to the essence of local autonomy. The introduction of the principle of local autonomy in the Constitution implies the protection of the local governments against the national government, and at the same time initiates the development of local autonomy. Second, the Constitution purports to guarantee that the national government does not necessarily restrict or violate the rights of local public entities. Third, the Constitution expressly and positively delegates powers to local public entities. Local public entities have the power to manage and administer their own affairs to insure social welfare in their communities and to maintain public order and security. Thus, local public entities have acquired financial, executive, and legislative powers.

III

FACTORS IMPEDING THE DEVELOPMENT OF LOCAL SELF-GOVERNMENT

Local self-government has not worked out precisely as the Constitution had designed. The reasons are as follows. First, there already were defects in local self-government before the establishment of the 1947 Constitution. Under the old system, a large number of services that should have been treated as local affairs fell under national jurisdiction. There still persists a tendency of central control in the areas of finance and employment, as well as

Chapter 8, Local Government;

Article 86; The governors of prefectures, the mayors of cities and towns and the chief executive officers of all other subordinate bodies politic and corporate having taxing power, the members of prefectoral and local legislative assemblies, and such other prefectoral and local officials as the Diet may determine, shall be elected by direct popular vote within their several communities.

Article 87; The inhabitants of metropolitan areas, cities and towns shall be secure in their rights to manage their property, affairs and government and to frame their own charters within such laws as the Diet may enact.

Article 88; The Diet shall pass no local or special act applicable to a metropolitan area, city and town where a general act can be made applicable, unless it be made subject to the acceptance of a majority of electorate of such community.

Cf. 1947 Const. arts. 92-95.
police and education. This tendency increased after the rapid economic growth of the 1960s and has grown after the subsequent great expansion of executive powers in Tokyo. The dependence on the national government has been growing without much transfer of central power to local governments. The areas that local public entities alone have the right to manage are rather limited.

Second, the dependence on the national government reflects the long-lasting dominance of the national bureaucrats and their distrust of local governments. National bureaucrats are confident in their management of local governments and they oversee the local governments’ executive affairs, sources of revenue, and personnel matters. Even if it is better to have these affairs managed by the local government, the national bureaucrats distrust local management and are reluctant to transfer their power. Today, local government employees are more capable than in earlier years and have the support and the participation of local communities. However, national bureaucrats justify their dominance by pointing out the inefficient and uneconomical local management.

Third, although revenue between national and local governments is distributed in accordance with the national tax base, revenue to local governments has not increased significantly over the years. Consequently, there has been a lack of general revenue for local governments, and local governments must depend on special revenue sources like grants from the National Treasury. This enhances the control of the national government in the area of finance and perpetuates the low level of funding for local government.

Recognizing these deficiencies in local government, and the relationship between national and local governments, many reform plans have been considered and continue to hold merit today. However, any reform plan must reflect the current state of local government, and, in this respect, there exist difficult barriers to surmount.

First, we must consider the impact of social and financial changes on local governments. The rapid progress of technology in Japan has created high standards of living in industrial areas. As a result, life has changed from an agricultural to an urban style. At the same time, the development of new modes of transportation, such as air and the bullet train, has had great influence over each community near a transportation facility. These changes

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5. Y. Yoshida, Chiki kara no Heiwa to Jichi 89 (1985); Hoshino, Keisatsu seido no Kaikaku, 3 Sengokaikaku Seijikatei 326-50 (1974). Under the old regime, police and educational affairs were controlled by the national government. The new Japanese Constitution, however, provided for these to fall under local control, thus showing the democratic trend. In 1954 though, the Police Law was revised, and in 1956 the Laws on the Organization and Management of Local Educational Administration were enacted. These laws once again increased the national government’s power over the local government. See K. Steiner, supra note 3, at 90-98 (tracing the political history of the decentralization of police and education).


7. K. Steiner, supra note 3, at 263-95; Y. Yoshida, supra note 5, at 90.

will increase the demands on local government as local communities expand and become more complex.

Second, there is a growing demand for a higher level of social welfare. Local public entities now have responsibility for the work of both the national and local governments; for example, they must maintain social welfare and a clean environment for the residents. However, most local governments do not have sufficient revenue to implement those policies. Instead, they must request support from the national government, which, in turn, strengthens its regulations and controls over local governments and increases the level of conflict with local powers. This transforms the local government system conceived in 1947.

IV

TRANSFORMATION OF JAPANESE LOCAL GOVERNMENT AND THE ROLE OF VOTERS

We have noted the problems that impede the development of local government. The main problem is the attitude of the national government toward local government. However, it is important to note that since the latter half of the 1960s—a time of rapid economic development in Japan—people in many communities have expressed their frustration with and indignation towards the attitude of the national government. These people have also increasingly asserted their rights and powers and have brought about the following changes in local government.

First, each local government, acting under the national policies of industry and development, competed to develop lands, to build industrial complexes, and to attract large factories. There has been tremendous local industrial development, and newly industrialized cities have emerged as the core of many local urban communities. Lack of revenue forced local governments to neglect environmental problems such as pollution. A deterioration of the environment all over the country began to annoy the citizens. The citizens protested against the government's inaction and demanded relief and aid from the national and local governments and from large corporations.9

Both the national and local governments have responded to the public complaints on the natural environment. Faced with these problems, the national government in 1970 finally established an agency for environmental pollution and enacted legislation to protect clean water and air and to promote a clean environment. Recently, local governments, too, have begun

to demonstrate a positive attitude toward protection of the environment. They conclude agreements with large enterprises to provide for protection against pollution and to draw up urban plans. Unfortunately, environmental problems cannot be solved unless local governments unite themselves.

Second, basic urban planning appeared in many local governments in the 1970s. These plans were designed (1) to clarify the development goals of local government; (2) to set the basic principles to pursue through development; (3) to assess the needs of citizens; and (4) to define an overall time period in which the plans could be completed. Local governments in all prefectures in Japan have made many distinctive long-term plans. The plans are basic, and cover various areas, such as consolidation of urban activities regarding health and hygiene. In the process of making up the long-term basic plans, local governments have been supported by the people in each community. The people have participated in various forms, but mainly by organizing conferences involving the members of a local community and selecting a committee from the community to work with local government on these issues.

Third, local governments have begun to look for steady sources of revenue to manage their new urban planning. The lack of revenue may be solved by changing the ratio of tax revenues distributed between the national government and local governments and by seeking new sources of revenue for local governments. The reform of grants from the national government might also be helpful. In fact, local governments pressed the argument for their right to manage their own taxation, litigation, or debt financing. However, the national government has rejected these arguments and introduced its own proposals without paying any attention to the local industries that have been developed by local governments' own efforts. The national government will continue to play the same role as before and will never release the power of the purse to local governments.

In the 1980s, the national government developed the concept of the "technopolis," which is made up of the various kinds of technological enterprises. The concept consists of building a research center in a designated city, which is then encouraged to invite leading technological industries and institutions to harmonize industries, government offices, institutions, and the people in that community. Nineteen districts or cities are already designated as technopolises, and the numbers are increasing. There is intense competition for designation among cities. However, it is dangerous to have great expectations for the development of the technopolis in the future. First, a technopolis is an outlet for excess capital and may be subject to economic recessions and trade friction. The technopolis plan may then become like the earlier policy of inviting outside factories to develop industrial centers—a policy that became a burden to local governments. Second, the organic relation between the local community and industry

10. Y. Yoshida, supra note 5, at 92.
11. Id. at 95.
cannot grow in the technopolis due to a possible fear that the technopolis may deplete local resources and capital. Third, local cities cannot supply the trained employees necessary for highly technological operations. Considering the points discussed above, local governments must be very careful in adopting a technopolis program, for there is no clear answer as to whether it secures financial resources for local governments.

V
THE PROBLEMS OF LOCAL AUTONOMOUS REGULATIONS

In order for local autonomy to come to fruition, local governments must be able to legislate their own ordinances. The establishment of sublegislation had its peak in the latter half of the 1970s and in the 1980s. The contents of those regulations are classified as follows:

1. Regulations relating to the general administration (including the ethics of local assembly members and the freedom of information).
2. Regulations relating to local taxes (including taxes to preserve the cultural heritage of ancient cities).
3. Regulations relating to the protections against public pollution (including environmental pollution and bicycle parking).
4. Regulations relating to social welfare (including old-age benefits and social welfare payments for citizens).
5. Regulations relating to education (including grants for tuition in private high schools and kindergartens and the election of members of the educational committee).

Some regulations only fill in blanks in the national laws, but there is local autonomous legislation, often reflecting creativity in deriving unique solutions to local problems. There are two kinds of autonomous legislation: regulations directly established by voters and regulations established by local government at the request of citizens. Autonomous local regulations may cover a wide range of matters, but must conform to the Constitution. They must also be related to the local interests and be in accordance with the national laws. Regulations by the local legislatures usually do not provide for penalties, but only for guidance, warnings, investigations, and sometimes official announcements of the names of offenders. From the above standpoint, the following problems are raised concerning the contents of regulations.

First, there are no local regulations relating to the utilization of land and buildings. Most local governments are hesitant to establish regulations over personal property transactions that have national ramifications. Therefore,
these transactions are subject to the control of the national law.\(^4\) However, in order to maintain the security and health of local citizens, local governments consider it imperative to regulate the property rights of individuals at least minimally if these rights adversely affect residents and the regional communities. Thus, under these circumstances, the exercise of property rights can be regulated by local ordinances on a case by case basis. The Supreme Court decision in \textit{Japan v. Iida} is an example: “The Regulation of Reservoirs in this case derives from the necessity in social living to prevent in advance the natural calamities; therefore the person who holds the property right to use the bank of the reservoir assumes the duty to bear such regulation for the public welfare.”\(^5\) The Supreme Court, at present, has only permitted the local regulation of property rights from the standpoint of preventing calamities or other disasters. However, it is assumed that the Supreme Court would apply that interpretation to an instance in which a local government tries to regulate property rights to build new communities.

Second, it is important to determine whether local governments can add stricter conditions to national regulations to achieve the same objectives. If they can, they may be able to acquire a new power for themselves. Here, the Fundamental Law for the Public Pollution, and the Regulation for the Prevention of the Public Pollution, are typical examples. In 1969, Tokyo enacted the Regulations for the Prevention of the Public Pollution, which included stricter provisions than the national law. In 1975, the Supreme Court commented as follows on the relationship of the law and regulation: “If the law aims at a nationwide standard [establishing a] maximum limit, the regulations will not go beyond the provisions; but if the law establishes a minimum standard, local public entities are able to strengthen the national regulations in accordance with the conditions of each district.”\(^6\) A new regulation is not permitted, therefore, when the national law has strict provisions in accordance with the conditions of the local community.\(^7\)

Third, there are hardly any local provisions directed at eliminating revenue shortages in local government. There are many theories holding that local ordinances permitting taxation by local governments are against the constitutional principle of taxation by the national government\(^8\) and that local governments may establish regulations for local self-taxation only in

\(^4\) 1947 Const. art. 29(3); see also Hamakawa, \textit{Jishujourei no Kadai to Genjou}, 53 Houritsujihou 40 (1981).

\(^5\) 17 Keishü 521 (June 26, 1963).

\(^6\) 29 Keishü 489 (Sept. 10, 1975).

\(^7\) T. Muroi stated:

The national control under the national laws against the regulations of local government should designate the minimal standard, from the standpoint of all . . . people of the nation; that is the most influential view of . . . local autonomy in the academic field today; therefore it would not violate the Constitution even if the regulations limit the administrative activities of pollution problems.


\(^8\) 1947 Const. art. 84.
accordance with the Local Tax Law.\textsuperscript{19} However, a recently emerging theory proposes that the power for local self-taxation is concomitant with the constitutional guarantee of local self-government. Also, the Local Tax Law is only a general law providing guidelines for taxation procedures by local public entities.\textsuperscript{20} From that standpoint, it is believed that the power of the State Minister Without Portfolio to approve or disapprove a local authority's application of the new non-legalized universal tax is contrary to the Constitution. According to the Local Tax Law, "the prefectures, in establishing or changing the nonlegalized universal taxes, must have prior permission of the Home Minister Without Portfolio."\textsuperscript{21}

It is also postulated that the new nonlegalized universal taxation may not be permitted because it gives citizens a heavier tax burden, impedes the circulation of goods in local public entities, and does not fit with the economic policies of the national government.\textsuperscript{22} Moreover, the Home Minister Without Portfolio has the right to add new conditions or change the content of the local regulations that the local government sublegislates.\textsuperscript{23} Local self-taxation may prevent intervention by the national government in the affairs of local governments. The power of local self-taxation will not lead to irresponsible taxation by local authorities.

Those who propose self-taxation by local governments argue that the present system of taxation is an invasion of local autonomy. They view the national government recommendation of a policy change abolishing the local tax as an unreasonable intervention against self-taxation of the local government, which is supported financially by the local taxes. The judicial judgment on this point is as follows:

The power of self-taxation by local public entities is permitted only under the Local Tax Law of the national government. When the Local Tax Law does not allow a surtax on charges of electricity and gas, local governments are not able to add a surtax on the same items.\textsuperscript{24}

In our opinion, the power of local governments to implement regulations is gaining momentum gradually through public debate and judicial precedent. However, the local authorities still do not have the power to pass regulations that conflict with national law.

VI

Authority of Local Governments under the Administrative Reform

In the 1980s, under its own planned administration, local government attempted to achieve genuine autonomy through autonomous regulations

\textsuperscript{19} Local Tax Law, Law No 226, 1950 art. 3, ¶ 1.
\textsuperscript{20} H. Kitano, Kenpô to Zeizaisi 174 (1983).
\textsuperscript{21} Local Tax Law, art. 259.
\textsuperscript{22} Id. art. 261, ¶ 1; see also H. Kitano, supra note 20, at 202-12.
\textsuperscript{23} Local Tax Law, art. 261, ¶ 2.
\textsuperscript{24} 966 Hanrei Jihô 3 (Fukuoka Dist. Ct., June 5, 1980).
that would comply with the residents' administrative demands. However, interference from the national government continues, and the new administrative reform may impede the establishment of greater autonomy in local government.

First, the national government has delegated agency functions to the local government but has given them no source of revenue. At present, local affairs, even affairs tinged with local interests, belong to and are controlled by the national bureaucracy in accordance with national laws and regulations. For example, delegated to the metropolitan and prefectural governors are livelihood protection, health insurance, welfare annuity, national annuity, permits for restaurants, and licenses for businesses of environment sanitation (for example, barbers, beauty parlors, and cleaning services). Delegated to local agencies are, for example, livelihood protection, child allowance, entrance management of nursery schools, and registration of foreigners. As these examples illustrate, the scope of agency delegation is great, and under existing conditions, this delegated work represents about 40 percent of a municipality's daily work, and 70 to 80 percent of metropolitan and prefectural districts' daily work. A great part of the work is regarded as the affair of the nation. They are thus under the instruction or the direction of the national government. In recent years, agency delegation under the new administrative reform has been justified and part of the national government's affairs have been shifted to the local public entities. However, the source of funding for these programs has not been shifted to the local government. Therefore, local public entities engage in deficit financing and are forced to make a choice of discontinuing their activities and services, or delegating them to private enterprise. The latter choice has drawn the criticism that the local public entities are abandoning their responsibilities.

25. With regard to agency-delegation affairs (Kikanininjimu), orders have been established for the execution of the task and its legal enforcement procedure; that is,

the minister concerned, in writing, designates the reason and the period, and orders the local governor to perform the items which should be done in case the management or execution of the national affairs which belong to the governor's authority as an institution of the state are against the regulation under the law or against the management by the minister concerned, and in case that management or the execution of the national affairs has been neglected.

Local Autonomy Law, art. 146, ¶ 1. Article 146, paragraph 2, states that "the minister concerned can ask for a trial before the high court to order the governor to perform the items concerned." In order to decide those matters "against the governor concerned, the high court concerned must start the trial to order the governor to perform the items concerned and determine if the claim by the governor has been admitted properly." Id. ¶ 5. If the governor still neglects the order by the high court and has not performed the items concerned, the minister concerned is able to ask the high court to start the trial of the confirmation of the fact. Id. ¶ 6. After the trial of the confirmation has started, the minister concerned, in place of the governor, can exercise the items concerned. Id. ¶ 7. Also, the Prime Minister has a right to dismiss the governor concerned. Id. ¶ 8.

Of affairs delegated by the national government to the mayors of cities and towns, the rights of the minister concerned and the Prime Minister are exercised by the governor, and the lawsuit for enforcement takes place at the district court. Id. ¶ 12.

26. Of the charge to the private enterprise, see T. Muroi, Gyousei no Minshutekitousei to Gyouseihou 230 (1989).
Second, the Ministry of Home Affairs has given notice of a rationalization of the local self-governance system and has delegated the responsibility for the determination and distribution of welfare and retirement allowances to the local public entities. As the reason for this notice, the Ministry of Home Affairs has stated that welfare and retirement allowances are higher in some local governments than they are in the national government. There is also an excessive number of regular staff in some local public entities. However, each subject is a problem for the local public entity to solve independently. The national government must not interfere.

Third, reforms are being proposed in the local system to administer wide areas. The transformation of prefectural systems to nine block regions (doshusei) came from the business world and is the subject of great debate. Under this concept, metropolitan and prefectural systems will be merged into new governmental units that are branch offices of the national government.

Fourth, the Ministry of Home Affairs plays a leading role in reducing quorums in local assemblies, a plan designated to decrease the size and increase the efficiency of local administrations.\(^\text{27}\) However, local administrations should not be reduced under the leadership of the Ministry of Home Affairs. Administrative reforms by the national government seem to be aimed at the standardization of local autonomy and may constitute interference in local autonomous entities. The principle of local autonomy in Article 92 of the Constitution is in danger of failing.

VII
Conclusion

We have analyzed the relationship of authority between local autonomous entities and the national government. Emphasis has been on the maintenance of local autonomy. Local autonomy, which was established under the Constitution, is still a problematic issue in the Japanese political system. The interference of the national government has increased, and local autonomy does not fulfill its function as envisioned in the Constitution. It is up to local inhabitants to be aware of these problems and their right to self-governance. It is very important that properly local affairs, which also are considered national affairs under the jurisdiction of the national government, be shifted promptly to local governments and be considered the affairs of local government by the national government. This action must be taken if local autonomy is to fulfill its major role as a fortress for protecting the constitutional rights of the people in each community.

\(^{27}\) Y. Yoshida, supra note 5, at 105-06.