

Localities that Can Say No? Autonomy and Dependence in Japanese Local Government¹

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Japan is striving to come to grips with demands for local autonomy and provincial authority in its centrist, unitary political system.² The concept of decentralization, or *chiho bunken*, figures prominently in most of the proposals for political and administrative reform put forth by the Japanese government since 1991.³ Promising to address demands for an end to binding financial and bureaucratic restrictions on local governments,⁴ legislators have formed working groups and committees such as the *Gyousei Kaikaku linkai* (Administrative Reform Committee). Other industrialized governments around the world have also been struggling with issues of decentralization and deregulation. European governments, for example, face pressures to balance local government and centralized authority under the nascent European Union.⁵

Scholarship on local government–central government relationships in Japan can be categorized into two main approaches: centrist/vertical administration models and autonomy models. The first model of Japanese local–centre relationship, a centrist/vertical administration approach that was developed in the 1960s, posited a hegemonic central state that allowed regional bodies little autonomy. Researchers envisioned a “vertical administrative control model” that permits little dissent or independence in lower levels of policy making. Japanese local government was considered a branch of the central government because of a myriad of fiscal, administrative, and legal restrictions placed on local autonomy by Tokyo.⁶ Authors argued that legal, administrative, financial and technical difficulties bound localities tightly to the centre.⁷ This vertical administration model was common until the late 1960s, when localities showed their initiative and creativity through aggressive and progressive approaches to the problems caused by externalities of rapid growth.

The second model posits a great deal of relative autonomy in the hands of local government officials. Arguing against the centrist model, revisionists like Aqua, Reed, Muramatsu and Samuels dispute its accuracy. The revisionists believe, as one researcher argued, that “[s]trong vertical dominance in Japanese intergovernmental relations is

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largely passe, both as a research paradigm and as a policymaking reality."⁸ They argue that even in unitary states like Japan, local government achieves at least relative autonomy and independence from the central government. They have rejected arguments that tie local autonomy directly to fiscal weakness and delegated works from the centre. Pointing out horizontal-linkage models, pressures towards internationalization, and local leaders who act as power brokers, researchers have identified spheres of autonomy available to local governments in Japan. The work of revisionists has become the accepted paradigm for the roles of local governments in Japan.

Recently, scholarly works on Japanese local government have attempted to stretch beyond the static dichotomy of autonomous/dependent models. As Purnendra Jain pointed out, "Both of these models offer only partial explanations that introduced a misleading polarization into the literature."⁹ In their contemporary investigations of localities in Japan, social scientists have recognized the importance of bargaining between centre and periphery as an ongoing event that clouds attempts at clear-cut categorizations of the powers of local government.¹⁰ The term "bargaining" implies a give and take between actors and brings us to an important question: What capacity do localities have to extract concessions from the centre? How accurate are the claims made by revisionists?

Reed, one of the revisionists, rejected the simplistic argument that central government influence is directly proportional to its financial contribution to localities. He argued that "local governments with more slack resources will have more capacity to innovate" although "central policies that affect local budgeting at the margin will be more likely to result in central influence and to inhibit innovation."¹² Muramatsu, on the other hand, used a horizontal political competition model to argue that "central instruction is not strong and local governments decide their activities autonomously to a considerable degree, and factors that local government consider when they decide on their activities are caused mainly by competition among local governments."¹²

Samuels used a similar approach, arguing that the "notion of a lack of autonomy in a nominally centralized state has been overstated" because of the strength of "translocal coalitions."¹³ Hoshino, viewing the efforts localities have made in creating ties to other nations, argued that "internationalization and globalization have done much to bring about the transformation of the prefecture."¹⁴ Another source of power for localities has come from non-binding plebiscites, which local governments use to "justify their refusal to carry out agency-delegated tasks."¹⁵ Finally, Calder argued that local governments have gained greater bargaining power with the centre during the post-War period.¹⁶

My own research leads me to conclude that localities indeed have the ability to say "no" to the central government but are on the whole unable to force the state to say "yes." That is, fiscally powerful local governments have the ability to resist the state, but they lack the power to force the central government to take action where it does not wish to do so. The localities' ability to resist the central government varies directly with the state of Japan's economy. As the economy improves, and local tax revenues increase, the fiscal autonomy of local governments increases, as does their autonomy in policy spheres.

Positive and Negative Power

I report three case studies from recent history to illustrate this positive-negative power dynamic: post-earthquake Kobe, US military base-towns in Okinawa, and the small village of Kito on the island of Shikoku. These cases involve localities that considered themselves to be in a crisis, and thus were willing to approach negotiating with the centre in new ways. Far removed from the official rhetoric of decentralization, municipalities have acted on their own initiative to challenge and engage the central government. As I will document in these three cases, the local governments involved utilized the resources at hand, employing public opinion, local referenda, informal channels, non-governmental organizations (NGOs), and transferred officials to advance their position *vis-à-vis* the central government.

I collected the bulk of my data about Kobe's situation through interviews with approximately 20 bureaucrats of the Hyogo Prefectural office and the Kobe City government office. To collect information on the cases in Kito and Okinawa, I utilized email and communicated directly with the parties involved, along with relying on Japanese language newspapers and journal articles for empirical data. I employed a broad body of English language political science literature and journalistic reports on intergovernmental relationships to provide further case studies for this work.

I will begin with an overview of the Japanese political system, focusing upon the administrative and political ties that connect municipalities and other local governments to the central government. Then, I will investigate Kobe, Kito and Okinawa. These three localities have mobilized existing resources and creatively engaged central authorities in an attempt to carry out their own initiatives and policies which go against those of Tokyo. I will conclude with some observations on the Japanese central-local government relationship and the implications of these findings for Japanese democracy.

Functions of Local Government

The administrative powers granted to local governments are quite complex, and many local government "powers" are in fact activities which they are forced to perform as a service to the central government. The primary function of local governments is to carry out "agent-delegated functions." In more than 500 separate statutes, the Local Autonomy Act lays out the many tasks that prefectural governors and municipal mayors must perform.¹⁷ The Local Autonomy Law provides local governments with authority concerning "general police work, social security and welfare, establishment and maintenance of urban planning, education, and levying and collecting taxes." However, central government authority overlaps that of local authorities, inasmuch as "[t]he central government may also deal with these matters when it wishes."¹⁸ Many political scientists have seen these delegated functions as yokes around the neck of local governments. As one scholar argued, "I say that the prefecture's role was transformed 'in principle' [by the post-War constitution] and somewhat frivolously because many of the national functions delegated to the prefectural authority (*kikan inin jimū*) continue as before."¹⁹

There are two categories of delegated activities, or entrusted functions (*inin-jimu*): (1) *Dantai-inin-jimu*, which are "responsibilities entrusted to the local government organization by the central government," through statutes and ordinances, and (2) "responsibilities entrusted personally to the local government's head executive, to be an agency of the central government."²⁰ Echoing a common opinion among Japanese social scientists, one researcher pointed out that "These [delegated] functions make up more than 50 percent of the operations of the prefecture. As a result, national government agencies maintain centralized control and exert a strong influence behind the scenes."²¹ One study argued that as much as "80% of all work handled by local government units consists of administrative affairs entrusted to them by agencies of the central government."²² Further, as of 1995, "there were 561 national laws and ordinances obligating local governments to carry out a variety of what are called agency-delegated tasks (*kikan inin jimu*)."²³ Agency-delegated tasks have become something of a double-edged sword; localities have refused to carry out some of these functions in direct confrontation with the central government.

Local Finance

Scholars often point to the system of local government finance as another symbol of the restrictions on local autonomy in Japan. Tsuru pointed out, "the legacy of old times remained more or less intact [after World War II] in the form of centralized control through (a) 'national government disbursement for specific purposes,' (b) 'agency-delegated functions,' and (c) the limitations on bond issues."²⁴ Although local governments in Japan collect tax revenues from their citizens as do local governments in federal nations like the United States, they see very little of these moneys. The central government collects the local tax revenues from the local government and redistributes them among all the governments, in a form of "Robin Hood" appropriation, which seeks to even out local revenue. One research association noted that "The national government dished out 15 trillion yen (about 36% of the 43 trillion yen collected in national taxes) to local governments, in other words, taking from local governments that had a surplus of finances and giving to local governments in dire need."²⁵ A study of the vertical distribution of income concluded that "[p]oorer regions were clearly seen to be benefiting from the tax and subsidy programs carried out."²⁶

As a result of this redistribution policy, local taxes accounted for only 37.7% of local government revenues in 1992.²⁷ Many of my informants pointed this out as a sign of the so-called "30 percent local autonomy" principle in Japan. Put another way, "At present the total budget for these [local government] bodies is almost 100 trillion yen, but of that amount, less than a third is collected by the local governments themselves through their own sources of revenue such as local taxes."²⁸ To meet their budgetary needs, local governments in Japan receive large amounts of their revenues in the form of transfers from the central government. Unable to fully utilize the taxes collected at a local level, the local governments in Japan depend heavily upon the central government for financial support. This system "leaves little initiative to the local government toward fiscal policies."²⁹

Destabilizing Influence: The 1995 Earthquake and "Kobe Inc."

Since the 1950s, Kobe had achieved advanced fiscal independence and its success as a profit-making city was praised in Japan and abroad. Shipbuilding and steel production, two major taxable industries, were in rapid decline in the 1960s, and Kobe officials understood the necessity of alternative forms of funding.³⁰ Among Kobe's progressive (and profitable) ventures were landfill projects that utilized rubble and earth from the nearby Rokko Mountains to create artificial islands in Kobe harbour. Port Island and Rokko Island, both of which are currently the sites of planned high-technology parks, were constructed using this land reclamation process. However, the 1995 earthquake ended Kobe's status as a unique fiscal case, destroying its abilities to raise much needed capital and forcing it into the mainstream. Kobe may have once been beyond the need to bargain, but resource dependence issues brought on by the earthquake forced it into negotiation with Tokyo.³¹

Before the 1995 earthquake, Kobe officials were proud that their city had not accepted any transferred officials from the central government in more than 20 years whereas Hyogo Prefecture (in which Kobe is located), which had a rockier fiscal base, had accepted officials as early as the 1960s.³² Kobe City, on the other hand, was known as "Kobe Incorporated" and was jokingly called a "joint stock corporation" (*Kobe Kabushiki Kaisha*, or "Kobe KK") because of its success at profit-making ventures.³³ Kobe even experimented with issuing municipal bonds to buyers in foreign countries. The term Kobe Inc. was coined by Takayori Shozo, former aide to the mayor of Kobe City and currently a professor at Konan University.³⁴ One article pointed out that "Kobe even made a profit — of about 6 billion yen — at an exposition held in 1981 to mark the completion of Port Island."³⁵ It was only after the earthquake, when Kobe's financial situation changed, that Kobe fell into difficult financial circumstances.

On 17 January 1995, a 7.2-Richter scale earthquake struck directly beneath Awaji Island, claiming more than 6,000 lives, destroying 100,000 homes, and cutting off the infrastructure that connected Kobe's power, water, electric, road and rail lines to the outside world. The total loss of property caused by the quake was 9.6 trillion yen, or approximately US\$113 billion. The primary component of the losses was damaged buildings, which will cost an estimated 5.8 trillion yen to repair; the second most expensive repairs are for the harbours, which will cost 1 trillion yen to repair.³⁶ The earthquake shattered more than Kobe's infrastructure; financial practices of the Kobe city government before the quake created serious fiscal difficulties afterwards.

As one informant put it, "The Kobe government borrowed money at the time of high interest rates before the bubble economy burst; the debt has really affected the finances of Kobe City and Hyogo Prefecture. After the earthquake, they had no choice but to create a channel to the central government through transfer (*shukko*) even though before the earthquake they were fiscally independent."³⁷ This "channel" of transferred officials is a common practice of the central government ministries, such as the Home Ministry and the Ministry of Finance, which regularly send administrators into prefectural and municipal governments for training and to assist the central government in maintaining "ties" with its "branches". Further, Takenori Inoki explains that personnel transfers are common in cases "where a local government was in need of financial assistance from the central government.

Personnel transfers, for instance, may have started to save local governments from financial crisis as in the case of Kitakyushu, which, as we saw, yielded a number of posts to the bureaucrats from the central ministries.³⁸

Taking on transferred officials from Tokyo projected Kobe's financial weakness and its willingness to compromise with the central government in order to regain fiscal independence. As one Kobe official pointed out, "It's the first time we've had someone here since we stopped this sort of thing twenty years ago. After the earthquake, we had to take someone from the central government."³⁹ Inoki's research into personnel loans confirms this opinion: his data on more than 46 cities and prefectures of varying sizes that accepted central government officials does not list Kobe City among the participating areas.⁴⁰ One of the two officials currently on loan from the central government is the Director of the Finance Bureau for Kobe City. As director of Finance, this transferred official communicates directly with ministerial officials in Tokyo who have provided financial assistance to Kobe. Loans and subsidies from the central government have prevented Kobe City, in the words of one informant, "from going bankrupt at least five times since the earthquake."⁴¹

Immediately after the quake, through official and unofficial channels, Kobe leaders petitioned the central government to provide additional monetary and deregulatory assistance along with other special concessions and tax exemptions for the Enterprise Zone in Kobe harbour. Tokyo responded with a resounding "No". One report summarized the event: "Kobe/Hyogo authorities have backed off their calls for a special Enterprise Zone status (with exemptions from national taxes and regulations) after getting a 'cold shoulder' from Tokyo and are now calling for Free Trade Zone (FTZ) status, yet to be clearly defined."⁴² Despite this setback, the Hyogo and the Kobe governments decided to go ahead with special ordinances for three years of preferential low taxes on real estate transactions and real property holdings in order to promote corporate investment in Port Island Phase II.⁴³

Officials from Kobe continued to petition central government ministries, such as the Ministry of Finance for "further special measures, such as tax reductions for reconstruction and development projects, such as KIMEC and Port Island Phase II."⁴⁴ It was only in February 1997 that officials from the central government offered partial support for Kobe City's plans.⁴⁵ The current status of support from the central government is in question,⁴⁶ and many Kobe City officials expressed anger at the government's reluctance to support such post-earthquake measures, recognizing that the government had not changed its position on the subject.

After the 1995 earthquake compromised Kobe's economic independence, Kobe had to compromise with Tokyo in a number of areas including decision-making, finances and personnel. Forced to take in transferred officials from central ministries, Kobe bureaucrats hoped to use these officials to gain additional funding and as a direct channel for communications with Tokyo. Kobe officials used formal (bureaucratic officials) and informal (transferred officials) methods to request central government subsidies for local reconstruction projects, like the Kobe Enterprise Zone, but was unable to gain full government aid. With a weakened financial base, Kobe was unable to force the state to act on its behalf. It did not have the power to compel the state to accept its plans for subsidies and relief funding.

Military Base Towns: Leverage with the Centre

The presence of US military bases in prefectures and towns around Japan has provided local governments with leverage in their bargaining with the central government. A recent article in the *Wall Street Journal* pointed out that prefectures and municipalities often "clash with US base officials over routine matters, a friction that could lead to serious bottlenecks in the event of a crisis. Tokyo, reluctant to offend its grass-roots constituencies, is often loath to get involved in disputes involving the US military."⁴⁷ When Washington applies pressure on the Japanese government, Tokyo is forced either to coerce or bargain with these base towns to ensure compliance. Okinawa has been a much-publicized site of recent conflict and confrontation between centre and locality.

Okinawa prefecture has suffered most heavily because of the presence of US bases that have "creat[ed] a milieu that revolves around bars, prostitution, and the servicing of US troops."⁴⁸ The bases also brought environmental problems, a high incidence of US-caused crime (including rape and murder), and economic devastation for the last 50 years. Okinawa has the lowest per capita income of any prefecture in Japan. Initially under US sovereignty after World War II, Okinawa was returned to the Japanese mainland on 15 May 1972. The continued presence of US troops has been the target for Okinawan protests, but the abduction and rape of a 12-year old Okinawan schoolgirl on 4 September 1995 provoked popular protests around Japan to new levels. In response to the rape, "on October 21st, about 85,000 Okinawans poured into the streets around the bases in the largest anti-military protest in the island's history."⁴⁹

Before the incident, in March 1995, the mayors of Naha and Yomita refused to sign the lease renewals on behalf of the owners of the land occupied by US bases. Prime Minister Murayama Tomiichi then ordered Governor Ota Masahide to sign the lease agreements in lieu of the local mayor. But Ota used the tragedy of the rape as a catalyst to take concrete action against the US bases: he announced in September 1995 his refusal to sign the renewals on any of the property occupied by US military bases in Okinawa. The authorities in Tokyo, recognizing that Ota would not bargain with them, took him to court in December 1995. On 25 March 1996, the district court ordered Ota to sign the contracts, ruling on the case's technical merits, but Ota appealed to the Supreme Court.

On 28 August 1996, the Supreme Court upheld the central government's right to overrule Ota, essentially cutting him out of the loop.⁵⁰ On 14 September 1996, Ota announced that he would take the necessary steps to appropriate private land and forcibly renew lease contracts of land used by the US military. Ota and the people of Okinawa did not give up so easily. In September 1996, soon after the Supreme Court ruling, Ota organized a prefecture-wide referendum "in which 89 percent of the Okinawan voters favored either the reduction or elimination of US bases on their island."⁵¹

With 3,000 Okinawan citizens owning a total of 362,000 square metres of land on which 12 US military bases reside and refusing to sign these leases over to the US military, the central government was pressed to renew the leases on the land before they expired on 14 May 1997. But Ota "turned down Prime Minister Ryutaro Hashimoto's request to support a revision of a 1952 special land lease law that would allow the US military to continue using facilities in Okinawa Prefecture beyond the

expiry of land leases."⁵² The prefecture had no choice but to begin forcing the renewal of land leases, and it pushed the central government to allow a revision of the law without Ota's approval. On 3 April 1997, the Cabinet "endorsed a controversial proposal to allow it to compulsorily lease land in the southern island of Okinawa to the US military, against bitter opposition."⁵³

In April 1996, Nago had been chosen as the site for an offshore floating US marine heliport "in exchange for the US's relinquishing its base at Futenma" in Ginowan.⁵⁴ But "the city of Nago, where Camp Schwab [the new base] is located, has refused to cooperate with the central government's study on the proposed heliport facility."⁵⁵ Furthermore, the people of Nago, seizing on the local referendum as a tool against the centre, gathered to voice their collective opinion on the subject. On 21 December 1997, 80% of the eligible Nago voters cast their votes in what has become known as the "Nago plebiscite". A clear majority of voters (53.8% or 16,639 people) opposed the construction of the proposed offshore heliport.

Governor Ota has continued to protest the presence of US bases in Okinawa. In February 1998 he "announced his firm opposition to the proposed construction of a replacement US marine heliport offshore of Nago, a city less populated than the area of Naha, the capital."⁵⁶ In a news conference on 6 February 1998, Ota said that, despite his initial request for the return of Futenma base to Japanese sovereignty, he took Nago's referendum and local surveys into account in making his decision on the move. As Fumio Kyuma, director general of the Defense Agency, pointed out, "Rejection of the alternative heliport [at Nago] means that Futenma Air Station will be left as is."⁵⁷

The plebiscites, protests and referenda, along with refusals by Governor Ota to participate, may give the impression of an Okinawa united against US military presence. However, many Okinawans recognize that the presence of the bases provides them with grounds for infrastructure investment, subsidies and special tax exemptions from the central government. One observer has argued that Ota is seen as a "poker player" who has publicly resisted the leases in an effort to gain additional investment from the central government. "If he [Ota] assents to the government of Japan's demands he'll get no can of spam [i.e. pork], but if he holds out and hits the right chords at the right moment, money floods in to invigorate the sagging construction industry."⁵⁸ Regardless of his reasons, Governor Ota and the people of Okinawa have used a number of tools in their attempts to force policy changes from the periphery.

Without a strong financial base, Okinawa has been unable to force the removal of the US military bases; it has no "positive" power to make the state say "yes" to its goal to end US military occupation. The floating base off Nago, however, will more than likely be blocked by the Okinawans when they say "no" to the central government.

Kito: Blocking the Hosogouchi Dam

The small village of Kito, with 2,100 residents, is located in Tokushima Prefecture, Shikoku. It is another site of loud and angry bargaining and negotiating between a locality and central ministries and sub-national governments. The Ministry of Construction (*Kensetusho*) and the Tokushima Prefectural government approached Kito in 1968 with plans to construct the Hosogouchi Dam on the Naka River.⁵⁹ Although villagers initially assented to the project, gradual recognition of the

environmental problems which were caused by the project fostered resentment and eventual rejection of the dam.⁶⁰ Kito appeared "on the Ministry of Construction's lists as a potential dam site in 1971, and by 1972 Prime Minister Tanaka [Kakuei] had even decided on the construction company to be employed on the job."⁶¹

In May 1975, after the villagers were shown the plans for the dam, the mayor and approximately 40 citizens banded together to form the *Kito-son Damu Taisaku Kyougikai*, or the Kito Village Dam Countermeasures Council. Continuing the opposition to the dam that had been started in November 1974 by a short-lived citizens' group, they came to the conclusion that the Ministry of Construction's research on the safety of the dam "should be rejected as invalid."⁶² In 1976 the village assembly, ignoring local citizens' desires, "did what most other villages in the same situation had done: it yielded and adopted a 'Comprehensive Village Development Plan' predicated upon construction of the dam (i.e. extinction of the village)."⁶³

The Ministry of Construction (MOC) and the Tokushima governor pressured the village to accept the dam. Among the strategies employed by the MOC was a refusal to assist the town in constructing wider roads; the MOC reasoned that if the dam were built, the town would be submerged, and would have no need for roads.⁶⁴ Town leaders wanted to oppose the dam, but recognized that the MOC would continue to withhold construction subsidies because of their refusal to cooperate.⁶⁵ The prefectural government also refused for a time to provide subsidies for the construction projects of the village but ended their use of this stick because of media attention on their actions. With one-fourth of the residents of Kito working in the construction industry and therefore depending on subsidies from the MOC, the village has not been completely united in its opposition to the dam.⁶⁶ Subsidies to the village construction industry have decreased by 70% when compared with figures from 1991, and villagers who rely on the subsidies have little choice but to push for actions that will renew their funding.⁶⁷ Most villagers, however, refused to back down on the issue and recalled the assembly, elected new officials in December 1976 and at the same time "decided to use the only legal weapon available to them: their right to establish local ordinances."⁶⁸

With a turnout of 93% of the voting age population, the anti-dam faction passed its ordinances without any difficulty, and passed similarly phrased referenda an additional ten times since that initial vote. In order "to protect the basic environmental rights of the village people and to stop the proposed dam construction," the people of Kito have repeatedly passed these referenda, which are reportedly the first of their kind in Japan.⁶⁹ These anti-dam factions have gained support from international environmental groups and have distributed English language materials on the Internet to further their cause.

Fujita Megumi, a Kito-born resident of the town who had worked for a time in his hometown post office, returned to Kito in the spring of 1993 after 27 years away from the village, during which time he worked at Nihon Telegraph and Telephone (NTT). The previous mayor had quit, and Fujita was encouraged by anti-dam advocates to run for mayor; he ran unopposed.⁷⁰ He was selected because of his anti-dam stance and has since become known as the "fighting mayor" (*tatakau Shucho*) because of his refusal to back down.⁷¹ In September 1993, a petition "rejecting the construction plans for the dam, signed by 75 percent of the eligible voters in the

village, was presented to Mr. Igarashi, the Minister of Construction.⁷² The petition called for a cancellation of the dam project and was signed by 1,321 of the local electorate's 1,781 people (74.2%). In March 1994, a new coalition comprising six groups opposed to the dam, called the *Kito-son Dam Hantai Doushi Kai*, or the Kito Village Dam Opposing Committee, was created to fight those who supported construction of the dam. In the January 1995 elections, the anti-dam camp won 80% of the votes and eight of the ten seats on the village council.

The central government continued its campaign to construct the dam, setting up 13 deliberative councils to "advise continuance, amendment, or cancellation of construction plans". Kito's problem was referred to one of them.⁷³ Mayor Fujita and his assembly, however, refused to attend the meetings of the commission (*shingikai* or deliberative council); they were the only group involved with the deliberative councils that did so. One article pointed out that "[Kito's case] is said to be the only instance in the whole country where a dam construction plan for which a budget has already been allocated is opposed by the local government in question."⁷⁴ Fujita's refusal to attend a deliberative council went against established government protocol. Observers agree that these councils were created to act as rubber-stamps for the MOC projects they are supposed to discuss. Thus without endorsement from the deliberative council, the dam project cannot go through. Fujita's daring strategy paid off, but the battle for the Hosogouchi Dam is not over.

In June 1997, after a Cabinet meeting, Construction Minister Shizuka Kamei stated that "A project to build a dam on the Nakagawa River near the village of Kito, Tokushima Prefecture, has been halted due to residents' opposition." However, Kito residents view this statement as far from the reality of the situation. The minister of the Ministry of Construction has actually compromised, but not abandoned, plans to construct the dam; he has agreed to close the branch office of the MOC in the village, but in return, Mayor Fujita has agreed to attend the council sessions.⁷⁵ Mayor Fujita and other Kito residents have expressed concern that the MOC is only temporarily relinquishing its plans for the Hosogouchi Dam, which might well be restarted in the near future.⁷⁶ Fujita's presence on the *shingikai* will make further opposition difficult. Further, concern about cuts in subsidies from the MOC and from the Tokushima Prefecture have forced Kito residents to search for financial autonomy from the state. The village hopes to create a confectionery and ice cream business and a local *yuzu* (citron) fruit industry which will enable them to free themselves from financial subsidies.⁷⁷

This battle has become a symbol for other local governments battling against public works plans in Japan; journalists writing about opposition to the Nagara Dam, which has been proposed for the town of Nagashima in Mie Prefecture, have (perhaps prematurely) cited Kito as a successful case of resistance.⁷⁸ "In addition, other local government representatives such as from [sic] Hoshin Village in Fukuoka Prefecture, well known canoeist and writer Noda Tomosuke, and nature conservation activists have visited Kitoson one after another."⁷⁹ Further, journalists in Japan have begun to focus on the damaging environmental side effects that are caused by dams, arguing that Kito and other villages should be spared the suffering that comes from such enormously disruptive public works projects.⁸⁰

Kito has been able to say "no" to the state by resisting the state's plans for a dam in its river. However, weak local finances and a dependence on construction subsidies from Tokyo have kept the villagers divided and thus their opposition has been weakened. Kito has not been able to impel the state to say "yes" to its goal of removing the dam, but it has kept the plans of the government in check for many years.

Conclusion

The initial models of Japanese local-central government relationships revolved around notions of vertical administration and central control. As time progressed and local governments took the initiative in policy areas, like pollution legislation, political scientists moved towards revisionist approaches. Calder, Reed, Muramatsu, Aqua and other social scientists discovered what they saw as evidence of local autonomy, emphasizing horizontal-linkage models, moves towards internationalization, local referenda, local leaders as power brokers and political overrepresentation. The three cases examined in this paper, however, have shown that localities that have major policy goals that do not mesh with those of Tokyo have incredible difficulty implementing their goals using "positive" pressure because of financial, administrative and legal ties to the centre. Resource dependence, juridically defined powers, and a need for public works subsidies and pork barrel projects have kept localities from achieving innovative or controversial objectives. Localities have been better able to utilize "negative" pressure in keeping the state from forcing through central government plans. The revisionists have pointed out some important tools that localities can access, but to what degree are those tools effective?

The Effectiveness of the Revisionists' Tools

In two of these three crisis cases, groups have been led by strong-willed leaders who have attempted to use their offices to enforce the "will of the people." These leaders, Okinawa Governor Ota Masahide and Kito Mayor Fujita Megumi, have been outspoken power brokers, using their positions as a rallying point for popular opinion. Kobe's mayor may have also been a rallying point before the quake, but he was remarkably silent in the aftermath.⁸¹ In any case, these leaders, popular or not, have used negative power tactics to impede implementation of central government plans.

Mayor Fujita's refusal to attend the deliberative council about the Hosogouchi Dam played a large role in the Ministry of Construction's backing down from immediately carrying out their plan, but Fujita has since been coaxed into joining the deliberative councils. With Fujita on the deliberation council, future protests against the dam will be severely weakened. Governor Ota's refusal to sign the leases was a powerful strategy, but a ruling from Japan's Supreme Court swiftly terminated it. Kobe City bureaucrats did not employ such tactics, as they were unavailable to them; instead, they stuck to the rules of petitioning and bargaining through official channels.

Local referenda in Kito and Okinawa played a strong role in communicating the will of the people to the central bureaucrats, but with no legal backing for these plebiscites, they had essentially no measurable effect on the policy outcome.

Alternatively, political observers might speculate that disasters provide minimal spaces in which local autonomy issues can be re-negotiated *vis-à-vis* the centre. But after the 1995 earthquake that ruptured Kobe's topography and its finances, Kobe, despite its use of transferred officials and petitions, was unable to gain additional concessions from the centre. Kito, struggling to save its village from being submerged under the stilled waters of a dam-created lake, has been able only to postpone its destruction.

These three cases show that the positive tactics of local governments are rarely successful. Kobe, seeking large amounts of additional deregulation and subsidies, received only token gestures in return: deregulation of Kobe Port procedures and the repayment of tax moneys lost. Okinawa, hoping to end the destabilizing presence of US military bases on its island, was unable to bring about a change in the central government policy of base placement. Negative power tactics, though, are often successful. For 20 years Kito has blocked the Ministry of Construction's plans to build the Hosogouchi Dam on their river. Similarly, I believe that Okinawans will be able to block the Nago heliport from being constructed.

It is true that the case of the Okinawan military bases is perhaps atypical because this case is located within the framework of the US-Japan military Alliance, which the Japanese central government is obligated to honour. Nonetheless, the Okinawan case reinforces the premise that local power varies with financial power showing that economic ties effectively tie the hands of local governments from taking independent action. Okinawa's rampant poverty and need for constant government support have kept some of its citizens from joining the protests against the military bases. Recently, Governor Ota was defeated in the gubernatorial election by Keiichi Inamine, a more moderate politician who has campaigned on the issue of improving Okinawa's faltering economy.⁸² More importantly, the location of the military bases within Japan is not a decision made solely by the US government; allowing the bases to remain but moving their locations would not in any way infringe upon the Security Alliance. The location of the bases is an issue that could be decided by the citizens of Okinawa and the central government. Fiscal ties in all three cases have prevented more effective leveraging of local government positions.

Fiscal Ties

In all cases, localities have been hampered by their reliance on funding from the centre, either in the form of public works projects and contracts (Kito and Okinawa) or in the form of area-specific subsidies (Kobe). Kobe had a period of independence as "Kobe Inc." when it established land reclamation projects, sold municipal bonds abroad, and pursued creative strategies for capital raising. The 1995 earthquake ended that period of fiscal autonomy, and forced bureaucrats in Kobe to recognize their strong dependence on the centre. Citizens in Kobe, in fact, have sponsored a bill that would change the ways in which central government funds are dispersed to disaster survivors. Although the bill was submitted to the Upper House of the Diet in May 1997, it "has not even been taken up once for deliberation, and is still sitting on the back burner."⁸³ Kobe citizens complained that more than four years after the quake their financial situation has not been taken seriously by the central government.

Kito, as well, is attempting to reach fiscal independence through development of local industries, like confectioneries and agricultural products, but it will take years to be free of the public works subsidies that have paid the salaries of one-fourth of the villagers. Okinawa Governor Ota has pushed companies to invest in his prefecture, but with little success. One observer related how executives from Japanese shipping companies and from FedEx Asia attended a conference on the economic merits of relocating to Okinawa. There,

*an executive V.P. with one of Japan's top shipping lines was asked about the possibility of locating "hub" harbor facilities in Okinawa. He replied that if having a hub in Okinawa was profitable there would already be one here [sic]. Later, an executive from FedEx Asia was asked the same question, and he responded with a pathetic "Well, we are proud to say that thanks to a new agreement we can deliver to you in Okinawa, but there are no plans for anything like a hub [sic]."*⁸⁴

During the recent Asian economic crisis, the fiscal difficulties that localities in Japan face have become even sharper. Due to their lack of ability to raise funds independently, and the banking crises faced by the nation, "debt at five of the most leveraged prefectures comes to \$90 billion." As one article summarized it, "the local Japanese governments are broke, or nearly so."⁸⁵ In fact, the situation is serious enough to warrant the Home Affairs Ministry considering "making an exception to the local government finance law to let local governments pay salaries to staff and meet other costs using the money used through flotation of deficit-covering bonds."⁸⁶ It is clear, then, that fiscal ties play a large role in constraining the autonomy of localities in Japan.

Implications for Japanese Democracy: Towards a More Accurate Centre-Periphery Model

Whereas the tools highlighted by the revisionists do indeed exist, their effectiveness is questionable. In the end, although these cases highlight the vigorous citizens' movements and active local leaders as examples "of the local democracy that has been nurtured in postwar Japan,"⁸⁷ the arguments by revisionists seem, on the whole, overstated. On the other hand, there is definitely evidence for "localities that can say no". Japanese grassroots movements run by non-central political elite (i.e. mayors, governors, and so forth), as predicated by Krauss and Simcock, have developed to struggle against a variety of central government actions, ranging from slow governmental responses to disaster (Kobe) to a seeming indifference to local level needs (Kito and Okinawa).⁸⁸ Localities able to access fiscal resources and negative pressure tools can block central government plans. Okinawa will no doubt prevent the construction of the marine helicopter base. Kito postponed what should have been an inevitable public works project.

But local level opposition, despite international support and creative approaches, can only prevent the government from forcing through its plans. Local governments seem unable to force the central government to say "yes". Despite the promises from politicians for major reforms, and the writings of revisionists who argue that localities maintain spheres of autonomy, localities currently only have the ability to say "no".

Further, as Japan's economy continues to falter, it will be all the more difficult for local governments to act against Tokyo. For political scientists investigating local governments in Japan, I hope these cases will provide a warning against over-exaggeration of the powers of localities *vis-à-vis* the centre.

Notes

- 1 The generosity of the Nambu Foundation and the Kobe 555 Project enabled me to complete three months of field research in Kobe, Japan. Sue Pruyn and Aiko Fujimori of University of California, Berkeley assisted me through various administrative labyrinths. A special thanks to Ms Chiharu Ima of the World Bank for her assistance in locating relevant conference papers, to Mitsuaki Hoshino for assistance with difficult translations, to Professor James White for his excellent suggestions and to the two anonymous reviewers of the *AJPS* for their valuable and constructive comments.
- 2 Unitary states are those in which "regional and local units are subordinate to the central authority," while in a federal structure, "the two authorities are in approximate power balance." Most political science theorists argue that local autonomy is more difficult to achieve in unitary states because of their top-down, centralized nature. See Michael Stein, "Federal Political Systems and Federal Societies," in *World Politics*, vol. 20, no. 4, July 1968, p. 739, summarized in Purnendra Jain, *Local Politics and Policy Making in Japan* (New Delhi: Commonwealth Publishers, 1989), p. 1.
- 3 See Eisuke Sakakibara, "Moving Beyond the Public Works State," in *Japan Echo*, vol. 25, no. 1, February 1988, p. 35 et al. See also Katsuhiko Eguchi, "Changing Japan: Administrative Reform, Deregulation, and the New Generation of Politicians", presented on 27 March 1997 at the forum "How Should Japan Change?"
- 4 See the Liberal Democratic Party's homepage at <http://www.jimin.or.jp/jimin/english>.
- 5 See Hellmut Wollann, "Rebuilding Central and Local Government Structures in Central Eastern Europe", prepared for the 2nd World Bank Workshop on Japanese Local Government and Economic Development.
- 6 See Fukashi Horie, "Intergovernmental Relations in Japan: Historical and Legal Patterns of Power Distribution between Central and Local Governments," in Jong Jun and Deil Wright (eds.), *Globalization and Decentralization: Institutional Contexts, Policy Issues, and Intergovernmental Relations in Japan and the United States* (Washington DC: Georgetown University Press, 1996), p. 64.
- 7 Hiromi Muto, "Innovative Policies and Administrative Strategies for Intergovernmental Change in Japan," in Jong Jun and Deil Wright, op. cit., p. 70. See also Hitoshi Abe and Muneyuki Shindo (translated by James White), *The Government and Politics of Japan* (Tokyo: University of Tokyo Press, 1990), p. 64.
- 8 Andrew DeWit, review article of *Gurasuruutsu no Kokusai Kouryuu* (Japan's Internationalization at the Grassroots Level) by Purnendra Jain and Tetsuo Mizukami, on Social Science Japan (SSJ) email listserv, 21 January 1998.
- 9 Jain, op. cit., 1989, p. 226.
- 10 Michio Muramatsu, *Local Power in the Japanese State* (Berkeley: University of California Press, 1997), p. 140. Steven Reed, *Japanese Prefectures and Policymaking* (Pittsburgh: University of Pittsburgh Press, 1983), p. 146.
- 11 Reed, op. cit., p. 148.
- 12 Muramatsu (1981), summarized by Muto, op. cit., p. 81.

- 13 Richard Samuels, *The Politics of Regional Policy* (Princeton: Princeton University Press, 1983), from pp. 242, 243, etc.
 - 14 Shinyasu Hoshino, "Japanese Local Government in an Era of Global Economic Dependency," in Jun and Wright, op. cit., p. 371.
 - 15 David Arase, "Political Reform in Japan: Is It Becoming More Democratic?" Japan Policy Research Institute (JPRI) Working Paper No. 42, February 1998, p. 5.
 - 16 Kent Calder, *Crisis and Compensation: Public Policy and Political Stability in Japan, 1949-1986* (New Jersey: Princeton University Press, 1988), pp. 296-298.
 - 17 Abe, op. cit., p. 64.
 - 18 Norman Glickman, *The Growth and Management of the Japanese Urban System* (New York: Academic Press, 1979), p. 293.
 - 19 Hoshino, op. cit., p. 360.
 - 20 Horie, op. cit., pp. 55-56.
 - 21 Hoshino, op. cit., p. 360.
 - 22 Glickman, op. cit., p. 294.
 - 23 David Arase, "Political Reform in Japan: Is It Becoming More Democratic?" JPRI Working Paper No. 42, February 1998, p. 2.
 - 24 Shigeto Tsuru, *Japan's Capitalism: Creative Defeat and Beyond* (Cambridge: Cambridge University Press, 1993), pp. 53-54.
 - 25 "Report of Research on Overseas Examples of the Use of Zoning in Area and Industrial Promotion Policies," The Hanshin-Awaji Economic Revitalization Organization, March 1997, p. 17.
 - 26 Glickman, op. cit., p. 331.
 - 27 Horie, op. cit., pp. 55-57.
 - 28 "Report of Research on Overseas Examples," op. cit., p. 17.
 - 29 Glickman, op. cit., p. 294.
 - 30 Interview with Kobe University Professor Setsuo Miyazawa, 3 March 1998. Some have argued that Kobe sought to become fiscally independent because it recognized the ways in which Japanese administrative law and central government practice severely restrict the ability of local governments to raise funds through taxes or issuing bonds.
 - 31 For a discussion of resource dependence models and governmental organizations, see Howard Aldrich, "Resource Dependence and Interorganizational Relations: Local Employment Service Offices and Social Services Sector Organizations," in *Administration and Society*, vol. 7, no. 4, February 1976, p. 419, etc.
 - 32 Interview with Kobe City government officials, June-July 1997.
 - 33 "Kobe rebuilding needs progressive thinking," in *Daily Yomiuri*, 7 March 1995.
 - 34 Email from Tamotsu Asami, researcher, Yomiuri Research Institute, 30 September 1997.
 - 35 "Kobe rebuilding needs progressive thinking," in the *Daily Yomiuri*, 7 March 1995.
 - 36 I will not describe the extent of the damage caused by the earthquake in this paper, but this 7.2-Richter quake was only the 13th largest quake in terms of seismic magnitude in Japan since the 1920s.
 - 37 Interview with Sakata Seiji, Real Estate Affairs Division, New Urban Projects Head Office, Kobe City Government, 16 July 1997.
 - 38 Takenori Inoki, "Personnel Interdependence of the Central and Local Governments in Japan: An Analysis of Inter-Governmental Loans and Transfers," pp. 21-22.
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- 39 Interview with Sometani Tetsuya, Assistant Manager, Economic Promotion Division, Industry and Agriculture Promotion Bureau, Kobe City Government, 3 July 1997.
- 40 Inoki Table 2.
- 41 Interview with Hiroshi Koyanagi, 15 June 1997.
- 42 Yuko Hama, "Osaka Consulate Principal Commercial Consul Report," 14 June 1996.
- 43 *Nihon Keizai Shinbun* (Japan Economic Newspaper), 30 October 1996, p. 33.
- 44 *Nihon Keizai Shinbun*, 6 December 1996, p. 39.
- 45 Summary of *Nihon Keizai Shinbun*, 19 February 1997, p. 33, in Yuko Hama, "Osaka Consulate Commercial Consul Report," 28 February 1997.
- 46 Interview with Professor Miyazawa, 3 March 1998.
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- 48 Masamichi Inou, John Purves and Mark Selden, "Okinawa Citizens, U.S. Bases, and the Dugong," mailed on 17 December 1997, through the H-Japan listserv.
- 49 Mike Millard, "Okinawa, Then and Now," JPRI Occasional Paper No. 11, February 1998, p. 2.
- 50 David Arase, "Political Reform in Japan: Is it Becoming more Democratic?" JPRI Working paper No. 42, February 1998, p. 5.
- 51 *Ibid.*, p. 5.
- 52 Kyodo News International, "Ota rebuffs Hashimoto's request on Okinawa land leases," 31 March 1997.
- 53 William Dawkins, "Tokyo to Make Okinawans lease land to US," in *Financial Times of London*, 4 April 1997.
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- 55 Kyodo News International Inc., "Ota rebuffs Hashimoto's request on Okinawa land leases," 31 March 1997.
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- 57 *Ibid.*
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- 59 Personal communication (e-mail) from Fujita Megumi, 22 January 1998.
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- 63 McCormack, *op. cit.*, p. 226.
- 64 "Can the Dam Opposition Movement Prevail?" in *Japan Environment Monitor*, January 1995, p. 7.
- 65 Kabashima Hideyoshi and Yoshio Kenji, "Fujita Megumi: Katsute Mura ni Damu wo Tsukuru Keikaku Ga Atta (Megumi Fujita: Before there was a Plan to Construct a Dam in our Village)," in *Asahi Shinbun Weekly Aera*, 30 June 1997, p. 54.

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 - 67 "Hosogouchi Damu wa Kensetsusho ga Keikaku wo Hakushi (The Ministry of Construction puts forth a white paper plan for the Hosogouchi Dam)," in *Shuukan Kinyobi*, 11 July 1997, p. 36.
 - 68 "Damming up Local Protest: Japan vs. the People of Kito," in *Tokyo Business Today*, September 1995.
 - 69 "Our Anti-Dam Resolution" homepage, at <http://kaleido.smn.co.jp/opinions/0020o01e.html>.
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 - 71 Kabashima and Yoshio, op. cit., p. 55.
 - 72 Fujita, personal communication, 22 January 1998.
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 - 74 "Can the Dam Opposition Movement Prevail?" in *Japan Environment Monitor*, January 1995, p. 6.
 - 75 Op. cit., in *Shuukan Kinyobi*, 11 July 1997, p. 34.
 - 76 Kabashima and Yoshio, op. cit., p. 56.
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 - 78 See, among other articles, Jon Herskovitz, "British Expert Questions Japan's Dam Building Policy," on the Kyodo News Service, 12 September 1996.
 - 79 "Can the Dam Opposition Movement Prevail?" in *Japan Environment Monitor*, January 1995, p. 7.
 - 80 Mukou Ichyou, "Retto Amachua Seitaiigaku (Amateur geographer investigates the Japanese archipelago)," in *Chuo Koron*, July 1995, pp. 254-272.
 - 81 See Setsuo Miyazawa, "Chihoo Jichi no Shiren toshite Shinsai Hukkou (Reviving from the earthquake disaster as a test of local government)," in *Horitsu Jiho*, vol. 67, no. 9, Summer 1995, p. 64. Also, in interviews with Kobe City bureaucrats, none of them mentioned the mayor during extensive discussions of reconstruction and financial assistance from the central government.
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 - 83 *Asahi Shinbun*, "Tensei Jingo" (*Vox Populi, Vox Dei*), 5 March 1998.
 - 84 Personal communication from US government civilian employee attached to USAF in Okinawa, Japan, 4 March 1998.
 - 85 Brian Bremser and Miki Tanikawa, "The Cities are Sinking," in *Business Week*, 19 October 1998, p. 30.
 - 86 *Nihon Keizai Shinbun*, 11 October 1998.
 - 87 Purnendra Jain, "Green Politics and Citizen Power in Japan: The Zushi Movement," in *Asian Survey*, vol. XXXI, no. 6, June 1991, p. 573.
 - 88 Ellis Krauss and Bradford Simcock, "Citizens' Movements: The Growth and Impact of Environmental Protest in Japan," in Kurt Steiner et al., *Political Opposition and Local Politics in Japan* (Stanford, California: Stanford University Press, 1980), p. 227.
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