

---

論 説

---

## Decentralization Reform in Japan — Stagnation or Advance?

Toru Yamada

以下の論稿は、2013年11月に神奈川大学で開催された国際シンポジウム「経済危機下の地方分権改革—『再国家化』と『脱国家化』の間で」に際して、日本の民主党政権下における地方分権改革の実情を、諸外国から参加する研究者に説明し、シンポジウム前の相互の検討に付すために作成したものである。なお、年月の付し方や現時点との間隔の数え方、状況や事件のあり方とその評価などは当該の時点からのものである。

### (I) Preface

At about the same time as our conference in September 2009, a new Democratic Party of Japan (DPJ) government under Prime Minister Hatoyama took power in a landslide victory in August 2009, with 308 of 480 seats in the Lower House. The election marked a real change of government, which overthrew the long term dominance of the conservative party in Japan, the Liberal Democratic Party (LDP). The DPJ ran on a platform for “the local sovereignty” (decentralization reform), which was given one of the top priorities among its domestic policies. Now, after three years of DPJ three prime ministers, the reform-plans did not live up to their promises despite a few important advances. Decentralization reform has proved difficult to reach in the current Japanese political climate, especially with the unprecedented disaster of March 2011 Tohoku earthquake and tsunami and the extraordinary recovery effort that followed.

This paper discusses the facts of decentralization reform as well as its stagnation and their main causes. Of course it is very difficult to analyze the latest political phenomena of Japan and this is only a provisional explanation of them. I will be grateful, if you read the essay which I wrote in celebration of the 65. birth-day of my friend, German Professor, W. Seifert at Heidelberg University (Indicm Verlag, in preparation).

Some people believe that the DPJ leadership was not ready for real or practical politics, especially with respect to the relationship with the central bureaucracy. Those same people say that the conflict between the government and its opposing political parties was so severe that it lead to confusion within the government party itself. With regards to decentralization reform, I want to add another factor, that is, views being popular among local politicians on the reform.

First I will provide some backgrounds by outlining the political situations which the DPJ administrations faced and initiated.

During DPJ control, three leaders of the party were elected in the Diet as a prime minister, Yukio Hatoyama (September 2009 to June 2010), Naoto Kan (June 2010 to September 2011) and Yoshihiko Noda (September 2011 to December 2012). Now we turn to the question what developments occurred under these administrations.

## (II) Performance of the DPJ Administrations

### (A) The Hatoyama Cabinet

On September 22. 2009, at the UN Summit on Climate Change in New York Prime Minister Hatoyama announced that Japan planned to reduce greenhouse gas emission sharply by 2020. He received thunderous applause at that debut of his new cabinet. However, lots of domestic and diplomatic problems ensued.

In general, the DPJ administration regarded the roll of the central bu-

reaucracy in the politics as the most important and serious problem. The party focused on regaining political leadership and eliminating bureaucratic resistance against it with the slogan of “political initiative, instead of bureaucratic initiative”.

In line with this idea, the cabinet took several measures modeled after British governmental change. Two of those measures were (1) the establishment of a Three Post Conference composed of the minister, vice-minister and political undersecretary and (2) suspension of the Conference of Administrative Undersecretaries.

The purpose of the Three Post Conference was to take the promised “political initiative”, excluding top officials from the main decision-making process. When the LDP was in power, the Conference of Administrative Undersecretaries had been seen as a symbol of bureaucratic power. The conference was held twice a week just before cabinet meetings to coordinate the ministries’ intention and interest finally, deciding bills for the Cabinet. Cabinet meetings were more or less brief formalities held to put the minister’s seal on the bills. The DPJ administration did away with this conference. However, the result was the loss of contact and coordination between the cabinet and the high-ranking officials as well weakening of bureaucratic morale.

The second serious issue for the DPJ administration was a financial one, namely, making the new administration’s budget for the following year (In Japan, budget-making starts in June). In the election campaign, the DPJ had pledged to increase child-allowances, subsidies for farmers and so on. They needed enormous financial resources, and the administration planned to cut down on “wasteful” expenses through its new budget proposal.

Hatoyama’s Cabinet attempted to strike a fresh note by introducing a new style to assess the budget proposal, that is, by holding an open forum.

The speakers at the forum included DPJ Diet-members, ministry officials and civilians nominated by the government. The forum was broadcasted over the TV, creating a public sensation and partially succeeded — I say “partially”, because the budget cuts totaled 1.7 trillion yen, but the following years’ budget reached 95 trillion yen, an increase of 7.5 trillion yen. Other trial to cut or save the budget was also unsuccessful. The Hatoyama administration was forced to issue an enormous amount of national debt, like the former LDP administrations.

The third and fatal problem for the Hatoyama Cabinet was the one of the US military bases in Okinawa Prefecture. There had been an agreement among the US-, the former LDP- and the Okinawa Prefectural Government to remove the marine base from Futenma in the center of Ginowan City to Henoko, a more remote location also in Okinawa. In the election campaign, DPJ leader Hatoyama personally spoke to relocate the base abroad, or at the very least to somewhere outside Okinawa. On one side, Hatoyama’s word raised the expectation of the Okinawa people and, on the other hand, angered the US government which took the Hatoyama’s remark as an intention to repeal a US-Japanese (including Okinawa) agreement that took 13 years to negotiate.

I omit the details of that situation here, but it is certain that confusion surrounding the issue proved fatal to Hatoyama’s Cabinet. Caught between the people’s opinion in Okinawa and the US government, Hatoyama forced to acknowledge the US-Japanese agreement and resigned as prime minister in June 2010. Tension between the Cabinet and the Foreign, Defense Ministry increased the confusion further.

#### (B) The Kan Cabinet

The next Prime Minister, Naoto Kan, was a unique politician who entered the political world due to a grassroots movement. At the beginning,

the Kan Cabinet was popular with over 60% in the polls. However, the Kan Cabinet had a conflict within the party, namely, a conflict with the group of Ozawa.

New Prime Minister Kan excluded the Ozawa group from his cabinet, instigating Ozawa's strong antipathy towards Kan. Ozawa was a powerful politician whose own party had once merged with the DPJ, and he played a major role in the process of the governmental change. After the 2009 election, Ozawa organized a strong faction within the DPJ, and became Secretary-General of the DPJ when the Hatoyama Cabinet was in power. Ozawa's vulnerability was that he was often criticized suspicious campaign contribution. In fact, Ozawa was later prosecuted for accepting illegal campaign contribution and declared not guilty. Criticism of plutocracy is a cornerstone of the DPJ platform, and so conflict within the party grew stronger, as time went on.

After Kan's inauguration as a prime minister, he immediately faced an regular election of the Upper-House. Kan appealed to the electorate to raise the consumption tax without first discussing within the party. Kan acted as Finance Minister in the Hatoyama Cabinet, and tended to be influenced by the Finance Ministry after he became Prime Minister, even though he was originally an political activist of a grassroots movement as an antagonist of the bureaucracy.

The election results caused a great deal of damage to the DPJ, because the party lost its majority in the Upper-House, and since then, criticism from out- and inside of the DPJ increased. For example, the government was blamed for its "timid" diplomacy in Chinese fishing boat affair around the Senkaku Islands on the west Pacific.

The next challenge the government faced was making a budget for the year 2011. The process was difficult, because the DPJ lost the majority in the Upper-House and was forced to compromise with the LDP on many is-

sues such as child allowance. The Ozawa group criticized those compromises as a breach of promises the DPJ made in the 2009 election.

The Diet narrowly approved the 2011 budget, but the plan was attacked by various groups and parties. All this happened just before the Tohoku Earthquake and the Fukushima Nuclear Accident rocked the country and took the lives of over 18,000 people. The Kan Cabinet had to continue governing as a crisis management administration.

Even now it is difficult to evaluate the Kan Cabinet's crisis management. I will tell you more about this problem later. Facing the crisis, there appeared once a movement to build a grand coalition of the DPJ and the LDP, but it fizzled out soon. After that, various measures to meet the disaster lead to further confusion among politicians. In June the Kan Cabinet managed to get over a non-confidence in the Diet with the compromise within the DPJ, but it had no longer had the power to govern effectively, and after enactment of a law on renewable energy, one of its few accomplishments, Kan resigned from the position of prime minister in August.

### (C) The Noda Cabinet

The third and last Prime Minister of the DPJ was Yoshihiko Noda, Finance Minister in the Kan Cabinet. Noda was a more conservative politician than Hatoyama and Kan. After the election to party leader, he appealed reconciliation within the party and nominated A.Koshiishi, one of leading members of the Ozawa group, to General Secretary of the DPJ. Additionally, he tried to restore the good relationship with the bureaucrats and revived a Conference of Administrative Undersecretaries to be held not before, but after the cabinet meeting in order to provide more transparency.

The Cabinet Noda decided to reopen a nuclear power plant in Ôi Town in Fukui Prefecture. It also decided to nationalize the Senkaku Islands,

which sparked a political standoff with China under the new leadership of Xi Jinping.

Prime Minister Noda's primary goal was to make a "unified reform of tax- and social security system" Noda and the Finance Ministry wanted to raise the rate of consumption tax to balance the national deficit which has been the most serious financial problem in Japan.

Prime Minister Noda made it his mission to solve Japan's deficit problem. But the Ozawa group opposed him, because of the alleged breach of promises made during the 2009 election. Because of the Ozawa group's opposition, the Noda Cabinet solicited support from the opposition parties, the LDP and the Komei-Party, which had recognized necessity of the tax-reform during their ruling period. In exchange for their support of Noda's tax reform, the LDP and the Komei-Party forced the DPJ to dissolve the Lower-House.

The bill for the unified reform passed the Lower-House in July and the Upper-House in August of 2012. The new law regulates raising the consumption tax rate by 8% (at present 5%) in 2014 and 10% in 2015. Meanwhile review of the social security system was postponed until a committee for that purpose could be established. The result of these reforms on the DPJ was devastating. The Ozawa group and its allies left the DPJ, causing the DPJ to lose its two-thirds majority in the Lower House along with its ability to pass a bill without the agreement of the opposition-controlled Upper-House. Afterwards, there was hardly time left for the Node Cabinet, until the Lower-House was dissolved at the end of this year.

#### (D) Revival of the LDP Administration

The result of the December 2012 election was a landslide victory for the DPJ's opposition. The LDP won 294 and the Komei-Party 31 of the 480 seats in the Lower-House, so that they gained 2/3 majority enough to re-

pass a bill even without the Upper-House's agreement. Under the leadership of a new Prime Minister of the coalition cabinet, Shinzō Abe, the Japanese economy has partially regained its positive performance ("Abenomics"). That brought about great popularity for the ruling parties among the general Japanese public.

The LDP and the Komei-Party also won the Upper-House election in June 2013. Prime Minister Abe is one of the most conservative politicians in the LDP. He aims at revision of the Constitution, namely, § 96 concerning the revision procedure of the Constitution, and then § 9, concerning the article on war-renunciation. In this manner, Abe intends to "renationalize" Japan. So far, the Abe Cabinet has proceeded carefully, stressing strong economic performance. The Abe Cabinet is now trying to change interpretation of § 9 to obtain a nation's right of collective self-defense.

### (Ⅲ) Reform for the "Local Sovereignty"

So far, I have mentioned the backgrounds of the decentralization reform in the period of the DPJ government. Now, I'll show you some contents of this reform.

The Cabinet Hatoyama's popularity was very high in 2009. So the cabinet proposed plans for reform. The Cabinet's first attempt at reform was the establishment of the "Council for Strategy of the Local Sovereignty" in the Cabinet Office in November 2009. The council consisted of ministers, scholars and local politicians under Chairman Hatoyama. Its main objects were : ① devolution, ② reform or abolition of local branches of the central ministries, ③ easing of government's legal restriction on the local administration, and ④ financial issues, specially the alteration of a subsidy tied to an unconditional grant-in-aid.

What we have to pay attention here is the fact that the DPJ didn't work



to introduce a “Do” system as the first step of the reform. Ozawa and his group claimed that the country should be divided into 300 self-governments, not into 10 to 12 “Do”s. In December 2009, the “Plan for the Decentralization Reform” and its “Work Schedule” was finalized by the Hatoyama Cabinet. Seemingly, the trial of the new cabinet started smoothly.

Altogether there were 4 types of reform bills that the three DPJ cabinets intended to submit to the Diet: The first one to establish a council to address local problems between the central government and local associations (bill ㉑), the second type of bills concerned devolution (comprised of the first through the third bills; bill ㉒, ㉓, ㉔), the third, bill concerning to reorganize the local branches of the central ministries (bill ㉕), and the fourth to revise the Local Autonomy Law (including the first and second bills; bill ㉖ and ㉗). As a matter of fact, these bills were not all made under the leadership of the DPJ Prime Ministers, for they got preoccupied so much with national issues. Most of these bills stemmed from recommendations of the “Committee for Promotion of Decentralization Reform” under the LDP administrations.

Three bills, ㉑, ㉒ and ㉖, were presented to Parliament in March 2010, while the Hatoyama Cabinet was in power. However, the bills did not easily pass the Diet because of a complicated debate, for example, on the ambiguous concept of “local sovereignty”. The three bills were finally adopted under the Kan Cabinet in April 2011, just after the disaster of March 11.

Bill ㉓ was also approved under the Kan Cabinet by Parliament in August 2011 and bill ㉗ was approved in November 2012 under the Noda Cabinet. Bills ㉔ and ㉕, on the other side, were scrapped because of the dissolution of the Lower House. Finally, bill ㉔ was adopted under the Abe Cabinet, after the governmental change 2012.

An outline of the laws is as follows.

Law ㉑ established a council to consider local problems between the central government and 6 local associations, namely, association of prefectural governors, mayors of cities, of towns, and association of speakers of prefecture-, of city-, and of town-assemblies. The council was the first formal one, and it is rather surprising that a council of this kind had not been set up so far in the government.

Laws ㉒, ㉓ and ㉔ mitigate restrictions on local administrations. Specifically the laws ease obligations of administrative activities, abolish the legally mandated administrative and procedural framework and extend the legislative power of local assembly. These laws regulate the revision of laws affected by the reform. A total of 303 laws had to be revised in the reform, showing that there had been many articles restricting local administrations so far.

Laws ㉕ and ㉖ mainly relate to the regulation of local assemblies. They extended the local assembly's discretion to decide number of assembly members, its session etc. and broadened the reach of the assemblies' legislation or resolution. It is important that the local assemblies have the ability to regulate matters of statutory entrusted function, that is, functions delegated to local government based by national statutes, as long as they don't interfere with national security. Thus, the local assembly is expected to be more active than ever.

As to bill ㉗, I'll refer to that later.

#### (IV) Crisis Management of the "Great East-Japan Earthquake" and the Fukushima Nuclear Accidents

As I mentioned previously, it is even now very hard to evaluate the crisis management of the central and local governments in the aftermath of the Great East-Japan Earthquake and the Fukushima Nuclear Accidents. As to the latter, damage control is still at present under way. Scrapping

the destroyed nuclear reactors will take 30-40 years, and in the meantime high intensified radioactivity around the plants has forced many people to abandon their homes. Let's begin with the first issue.

(A) Countermeasures of the Japanese government against the disaster caused by the great earthquake and tsunami

I first explain the initial measures of the central and local governments in response to the great earthquake and the tsunami of March 11, 2011 and discuss the process of recovery as well as reconstruction in the disaster-stricken areas.

The character of the disaster of the March 11, has been, needless to say, the largest in scale and diversity of its kind, even in contrast to the Great Kobe-Awaji Earthquake of 1995, where the damage was concentrated in relatively narrow areas and those areas promptly recovered. This time, the affected areas have included the metropolis Sendai in addition to lots of mid-, and small-sized cities, farming-, fishing-, and mountain-villages, already hit with aging, shrinking populations.

Immediately after the earthquake, the Kan Cabinet established the Headquarter for Extraordinary Disaster Control with the Prime Minister at its head and, according to the Basic Act on Disaster Control Measures, various measures were exercised. In general, however, the emergency policies of the central government tended to delay relief activity, facing the inexperienced disaster. Immediately following the earthquake, tsunami, and nuclear disasters, the central and prefectural governments couldn't get information from the isolated towns and villages, because a great number of city-, town-halls, police-stations etc. were destroyed or swept away and many public officials were killed. Existing laws, plans, systems and mental attitude to control the damage were thoroughly ineffective, even though the measures had been taken after earlier disasters.

However, the delays were not only short-term. For example, the Act on Special Financial Aid to cope with the Great East-Japan Earthquake was not proclaimed until May 2, the Act on Establishment of the Reconstruction Agency (set up in the Cabinet) was not passed until on December 16, and finally, the Act on Special Reconstruction District on December 26.

The reasons for these delays were ;

- (1) The inexperienced DPJ government couldn't deal with the urgent measures appropriately. Moreover, the confusion among the bureaucrats in the critical days made Prime Minister Kan lose his confidence in them, despite his effort to get cooperation with the bureaucrats (especially of the Finance Minister) before the disaster. Kan was then apt to act arbitrarily.
- (2) Vertical sectionalism and conventionalism of the central bureaucracy prevented prompt and mobile countermeasures. Many municipalities complained about the formal, lengthy applications for rebuilding, the "red tape" of the bureaucrats. The Reconstruction Agency, which aimed to speed up the construction task, was finally founded under the Kan Cabinet in December 2011. It is difficult to say, whether the agency will be able to overcome the sectionalism of the bureaucrats quickly.
- (3) Also there was a lack of cooperation among the political parties. Opposition parties that already distrusted the Kan Cabinet were unable to work together in the days of serious crisis. Thus, the grand coalition between the big parties couldn't be reached, as mentioned before.

Next, we'll look at some aspects of the reconstruction/recovery in the affected areas.

As for the bigger cities, recovery went fast and is nearly finished because of their political and economic weight in Japan. For instance, the Sendai Airport reopened one month after the disaster. Mid-size cities like Ishinomaki and Rikuzen-Takada, where damage was extremely severe, have not been able to be rebuilt easily, although their famous fishing ports

was back in operation about one year later and doing well.

Serious damage occurred in the small towns and villages along the Pacific coast, isolated due to their location running along the rugged (ria) coastline. They faced, for example, the problem of whether their residents should relocate to the hills to avoid the next great tsunami. It is not easy for them to reach a consensus, because fishermen and merchants are apt to disagree with each other, both with some hoping to rebuild in the same residences as before due to their sentimental value or because of the difficulty in obtaining new land and the expense of relocation.

It is often pointed out that afflicted towns and villages with effective mayors and chiefs and/or active neighborhood association have recovered relatively well. Moreover, many local governments outside the Tohoku district have helped the stricken municipalities by sending their officials and specialists to them.

It is difficult to evaluate the prefecture's role in the recovery process. Under the Regional Plan for Disaster Protection of each prefecture, the governors of the 3 damaged prefectures should have been actively leading the reconstruction effort. However, the prefecture's administrations have been receiving criticism from the affected residents and municipalities due to the ambiguous relations between municipality and state.

On the other hand, local branches of the central ministries, especially the Ministry of Land and Transport, have taken an active roles in rebuilding broken roads, bridges and other infrastructures. So far, it is too soon to see how such a situation will influence the discussion on the issue of "Do" system.

#### (B) Countermeasures of the Japanese government against the result of the Fukushima Nuclear Accident

Now we turn to the more serious problem of the destroyed nuclear

plants in Fukushima. The continuous effects of this disaster on human life, and the problem of disposal of radioactive waste will last into the distant future. This is the unprecedented burden that Japan must bear.

Like other countries, Japan has faced national controversy over its nuclear energy policy from the start. In 1957 an experimental reactor went critical and in 1963 first generated electricity. The Tokyo Electric Power Company or TEPCO founded the Fukushima 1. nuclear power plant in 1966.

It is important to note that municipalities which agree to establish power plants receive enormous government subsidies based on the laws that aim at development of nuclear power generation. Thus, the “community interest” among the state, electric companies, scientific societies and municipalities was formed, and the so-called “security myth” has been promulgated by this community. For example, in 2011 one Diet-member asked the central government about its preparedness for a gigantic tsunami, since it hit the Sanriku-Coast about 1000 years ago with the same scale as the recent one. But the government virtually ignored this question.

The dangerous element of the power plant destruction was the station blackout (SBO), which stopped inflow of the coolant water and caused a melt-down of the reactor cores. High radiation levels have prevented an investigation into the cause of the blackout, so we do not yet have all the facts.

TEPCO, the company running the plants, has not acknowledged the earthquake as the cause of nuclear plant meltdown, because, if the company acknowledges that, it has to prepare for protection of many other nuclear power plants around the country (Probability of happening a great earthquake is high nationwide). TEPCO claims that the accident was caused only by the un-presupposed tsunami. The word, “out of presupposition” was a buzzword at that time. At present a series of investigations are

proceeding to address the issue of whether the nuclear power plants lay on an active fault line, which occasionally causes a great earthquake.

I can't explain here the technological problems of the accident. The following are some key aspects.

(1) Concerning the confusion surrounding the crisis management directly after the accident, testimonies of the government and TEPCO have differed to a large extent. While large amount of irresponsibility lies with TEPCO, there were undoubtedly delayed responses to the accident and concealment of information (including important one from the US-Army) on the side of the government.

(2) The number of the evacuees in Fukushima Prefecture is even now over 150,000, including evacuees caused by the earthquake. This amount is much more than in the Iwate- and Miyagi Prefectures. Most areas of the three highly contaminated municipalities near the plants have been designated by the national government as uninhabitable.

(3) Only five percent of the lands contaminated by radioactivity have been cleaned in Fukushima. Additionally, there is not an adequate system for handling contaminated debris.

(4) The Governor of Fukushima Prefecture declared his intent to abandon nuclear energy generation in Fukushima. That means the prefecture shall try to break away from Japan's national energy policy, though this prefecture has provided power to the Tokyo Metropolitan area by water-, thermal- and atomic power generation for a long time.

(5) The Nuclear Regulation Authority, an agency of the Ministry of the Environment, decided to resume operation of the Ôi Nuclear Power Plant in Fukui Prefecture in September of this year, and the central government reopened negotiation with some foreign countries to export nuclear power plant.

(6) Recently, contaminated waste water was found leaking from the store-

tank of the Fukushima nuclear plants into the sea (INES level III). The serious problem still continues.

#### (V) Present Situation of Decentralization Reform and the Issue of the “Do” System

In the last part of this paper, I'll tell you about the present situation of decentralization reform. In essence, the problem has continued unsolved up to this day.

After the earthquake, the reform restarted under the Noda Cabinet, and Prime Minister Noda kept enthusiasm for it. The cabinet tried to decide a law to reorganize local branches of the central ministries (this time, local branches of the Ministry of Land and Transport, Economy and Trade, and the Environment). This was one of the key issues of the decentralization reform. The main concept was to transfer the competences of local branches to a newly devised unit called “special wide union” consisting of several prefectures. However, the draft was also this time exposed under the strong pressure of the ministries as well as central and local politicians.

Surely the idea that the new union should be strictly controlled by central bureaucrats in the case of an emergency was struck down, but some incomprehensible provisions were inserted into the bill. For example, the territory of local branches and “special wide union” shall be combined. Accordingly, the existing Union of Kansai (including Osaka, Kyoto and Kobe), which was the biggest supporter for the reform, can't be a recipient of the transferred competences, because the Union of Kansai doesn't include Nara Prefecture, a prefecture included in the Local Branch of Kansai. The Noda Cabinet completed the bill in November 2012, but could not present to the Diet, for the Lower House was dissolved by the Noda Cabinet in December. This issue is currently in suspense.

The discussion on the “Do” system has been distorted. As I showed



above, the DPJ's plan on decentralization reform has not contained the idea of the "Do" system because of disagreement within the party. A new advocate of the system came from a new type of right-wing politicians like Toru Hashimoto, Mayor of Osaka City (Former Governor of Osaka Prefecture). He has insisted on introduction of the new system beginning with the merger of City of Osaka with Osaka Prefecture, named Osaka-To, like Tokyo-To.

Mr. Hashimoto is an ambitious politician with an authoritarian style. He set up a "Party for Restoration" mimicking the Meiji Restoration and declared a new political regime with a decentralized state. The party gained popularity among the people who expect strong leadership in politics and gained 53 seats in the 2012 Lower-House election, becoming the second biggest opposition party. Then, the irony began.

The LDP, winner of the election, wanted to take advantage of the "Hashimoto boom". The new Prime Minister Abe intended to revise the Constitution, first simplifying § 96, the provision addressing the revision procedure for the Constitution, then § 9, for renunciation of war. For that purpose, Abe and the LDP supported the Osaka-To concept and the "Do" system.

In April 2013, the LDP, the Komei Party, the Restoration Party and one small other party agreed to submit a bill on the "Do" system to the Diet. Its contents are, ( i ) declaration of idea and principles, ( ii ) establishment of a National Committee for the "Do" System to discuss its formation within 3 years, ( iii ) preparatory work for its legal system within 2 years after the National Committee's report is published. Seemingly, the reform started smoothly.

But the scene turned round once more. Hashimoto's boom lost its momentum after his remark on "soldiers and sex" in May. The Restoration Party was utterly defeated in the Upper-House election of July 2013; the Party gained 8 seats in contrast to the government parties, which gained

76 of 121 seats. Ever since that election, the LDP has kept Hashimoto's party at a distance.

At the present time, Prime Minister Abe is saying that the bill called the Basic Act for Promotion of the "Do" System will be submitted to the Diet this fall. But there is strong objection against the new system among local politicians and the Diet members associated with them, who have various political and economic interests in the current system.

The National Association of Prefectural Governors, composed of an equal number of supporters and opponents, has not been able to come to a consensus on the issue. The Japan Association of City Mayors is objected to it, because the introduction of the new system will prerequisite another merger of the municipalities, which will weaken their financial power and political autonomy.

The editorial of the Asahi newspaper recently stated that the introduction of the "Do" system is a radical change to the whole system of Japan and most parties seem to support decentralization reform. However, when we examine the former discussion on the issue of local branches of the ministries and the "Do" system, it seems that few politicians are prepared to make it a reality.

## (VI) Summary

In conclusion, the disappointment of supporters for decentralization reform during the rule of the DPJ government is deep. With the conflict amongst the Hatoyama-, Kan- Cabinet and the central bureaucrats, the dependence of the Noda cabinet on them and the backdrop of national disaster, the three JDP cabinets failed to realize substantial reform.

The new LDP Cabinet appears to continue the reform. But its top priorities are constitutional and economic issues, and the latter is an instrument for the former. Prime Minister Abe's popularity depends upon economic

performance, and without economic stability, he cannot actualize his ambitious constitutional revisions.

At present, the cabinet stresses revitalization of local economies and encourages formation of "special economic districts" being relatively free from the state's regulation. It is not certain, whether this policy will lead to new decentralization reform or not.

I would like to close this paper by referring to the energy problem in Japan. Since the nuclear accident, numerous voices surfaced to push the government (including the local ones) reexamine this problem. Some want to overthrow the nine electric power companies' regional monopoly system of generation and transmission of power by using renewable energy. These voices are calling for the decentralization of energy production, following one of the Japanese existing catchphrases of local politics, namely, "locally product and locally consume". I think this movement has considerable potential for decentralization reform in Japan.