

Japanese Administrative System

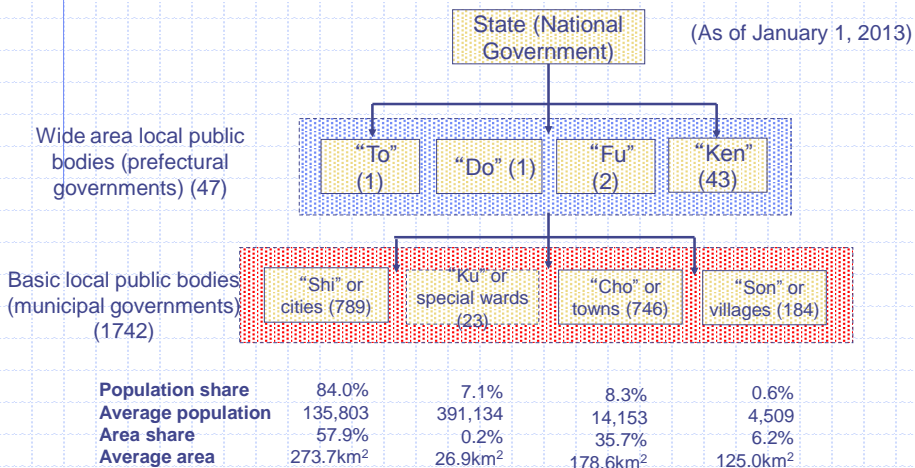
- 1. Japanese System of Government**
- 2. National Government Institutions**
- 3. Local Government Organization**
- 4. Financial State of National Government**
- 5. Financial State of Local Governments**

1. Japanese System of Government

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Japanese System of Government

- The Japanese system of government has a three-level structure: national, prefectural and municipal.



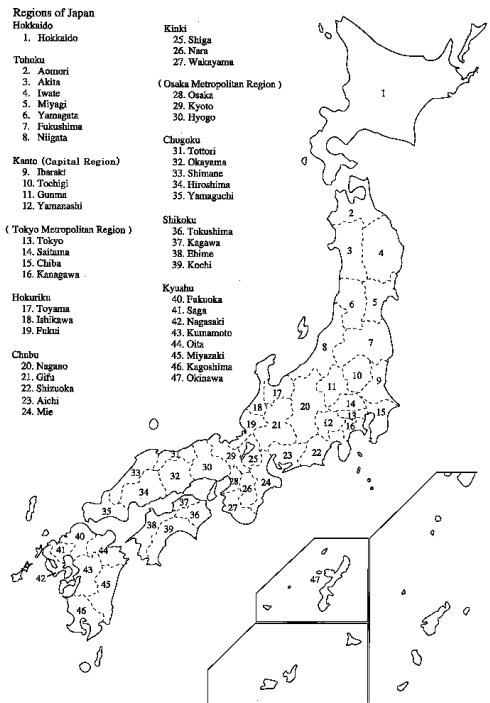
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Prefectural Distribution Map

Combined population	127.46 million
Combined area	377,955 km ²

"To"	Tokyo-To (Tokyo Metropolis or Tokyo Prefecture in English) only
"Do"	Hokkai-Do (Hokkaido Prefecture in English) only
"Fu"	Osaka-Fu (Osaka Prefecture in English) and Kyoto-Fu (Kyoto Prefecture in English) only
"Ken"	43 ken (prefectures in English) in total
Total	47 To-Do-Fu-Ken (prefectures) in all

(As of 1 January, 2013)

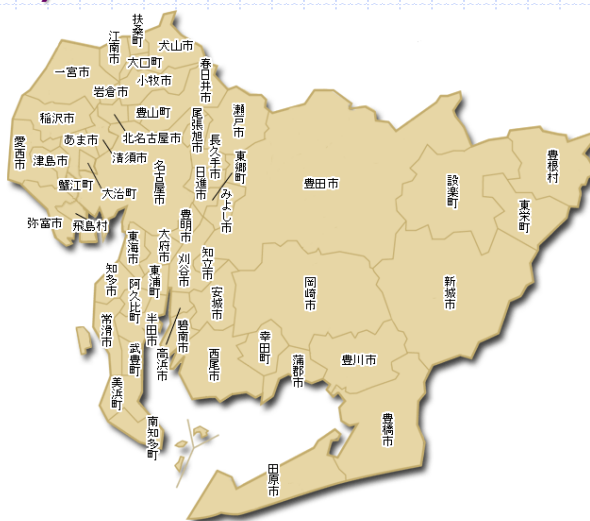


Municipal Distribution Map (Aichi Prefecture)

Combined population	7.43 million
Combined area	5,163 km ²

Cities	38
Towns	14
Villages	2
Combined total	54

(As of 1 Apr. 2013)



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Division of Roles among National, Prefectural and Municipal Levels of Government

- Each local government conducts administrative affairs pertaining to its jurisdictions in an autonomous and comprehensive manner.

National Government	<ul style="list-style-type: none"> ① Affairs of the nation that are consequential to its status as a member of the international community ② Administrative affairs concerning the activities of the people that should preferably be regulated in accordance with nationwide standards ③ Programs and services that need to be implemented/provided on a nationwide scale and from a nationwide viewpoint
Local governments	<ul style="list-style-type: none"> ① Local administrative affairs ② Other administrative affairs specified by laws and ordinances
Prefectures	<ul style="list-style-type: none"> ① Wide-area administrative affairs ② Administrative affairs concerning the liaison and coordination of municipalities ③ Administrative affairs considered beyond the capabilities of an ordinary municipality due to their scale or nature
Municipalities	All administrative affairs other than those conducted by prefectures

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Concrete Examples of Division of Roles (1)

- Functional division among the national, prefectural and municipal levels of government in a common area, under which local governments perform most of the type of administrative processing that has immediate relevance to peoples' daily lives

Affairs		National	Prefectural/Metropolitan	Municipal
Residents' affairs				Family registers and residential basic book
Social welfare	Elderly	National Pension		Nursing insurance
	Unemployed	Job search support / Employment insurance	Vocational training	
	Destitute		Livelihood protection (residents of towns and villages)	Livelihood protection (residents of cities)
Public health and hygiene	Public health	Quarantine	Health examination and food hygiene	
	Medical care and pharmaceutical affairs	National hospitals (advanced medical care, etc.) Licensing of medical practitioners and approval of pharmaceuticals	Prefectural hospitals (advanced medical care, etc.)	Municipal hospitals National Health Insurance

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Concrete Examples of Division of Roles (2)

Affairs		National	Prefectural	Municipal
Environment	Regulation	Environmental quality standards	Environmental regulation and pollution monitoring	Disposal of general solid wastes
	Waste management		Supervision of disposal of industrial wastes (private sector)	
Industry	Industry and commerce	Trade policy Support for small and medium enterprises	Industrial land development and luring of businesses Support for small and medium enterprises	Promotion of local industries
	Agriculture	National land improvement projects Food security	Prefectural land improvement projects Improvement and dissemination of agricultural technologies	Municipal land improvement projects
Civil engineering	Roads	Expressways / national highways	Prefectural roads / (national highways)	Municipal roads
	Rivers	Class 1 rivers (outside designated sections)	Class 1 rivers (designated sections) Class 2 rivers	Rivers other than class 1 or 2 rivers as designated by municipal mayors

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Concrete Examples of Division of Roles (3)

Affairs		National	Prefectural	Municipal
Civil engineering	Ports and harbors	Class 1 and 2 airport	Ports and harbors	Ports and harbors
	Airports		Class 2 and 3 airport	Class 3 airport
Housing	Housing		Prefectural housing	Municipal housing
	Waterworks			Waterworks
	Sewerage systems		River basin sewerage	Public sewerage
Public safety and security		National defense, trials and punishment	Police	Fire and ambulance services
Education		National universities and colleges Curriculum guidelines	Prefectural universities and colleges Senior high schools	Elementary schools and junior high schools (teachers' salaries to be paid by prefectures)

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Regulatory Exceptions concerning Major Cities, Etc.

- Some of a prefectural government's tasks (e.g. welfare, public health & hygiene, city planning and environmental protection) have been transferred to large cities.

System	Total number	Prerequisites	Examples
Cabinet order-designated cities	20	•Population 500,000 or more	Nagoya Kobe Kyoto
Core cities	42	•Population 300,000 or more	Toyohashi Toyota Okazaki
Special cities	40	•Population 200,000 or more	Kasugai Ichinomiya

(As of 1 April, 2013)

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United Nations Centre for Regional Development

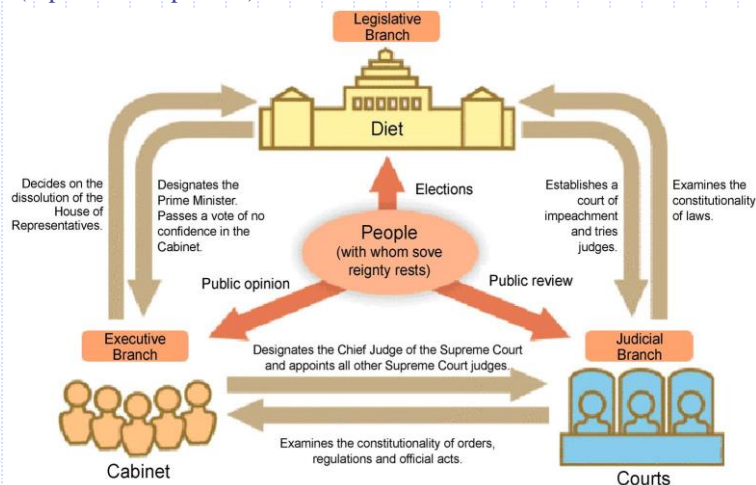
UNCRD 

2. National Government Institutions

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Composition of National Government Institutions

- The powers of the state are divided into three independent branches, legislative, executive and judicial, to ensure three-way checks and balances (separation of powers).



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Organization of Diet

Institutional framework	House of Representatives	House of Councillors
Number of members	480	242
Term of office	4 years (the term to be terminated before the full term in the event of dissolution)	6 years (half the members up for reelection every 3 years, no dissolution)
Entitlement to vote	20 years of age and over	20 years of age and over
Eligibility for election	25 years of age and over	30 years of age and over
Constituency	Single-member constituency: 300 The whole country is divided into 300 districts. Proportional representation constituency: 180 The whole country is divided into 11 blocks.	Prefectural constituency: 146 A prefecture-wide constituency is set up in all 47 prefectures. Proportional representation constituency: 96 The whole country constitutes a single constituency.
Characteristics	More reflective of public opinion	Able to engage in investigations and deliberations from a long-term perspective
Superiority of the House of Representatives	<ul style="list-style-type: none"> Bills which have been passed by the House of Representatives but rejected by the House of Councillors become law if passed by the House of Representatives for a second time with a two-thirds majority of the members attending the session. If the House of Representatives and House of Councillors pass contradictory resolution on the budget, a treaty or the designation of the Prime Minister and fail to reach agreement after a joint conference of the two Houses is held, or if the House of Councillors fails to pass a resolution within a predetermined length of time after the House of Representatives passes its resolution, the resolution of the House of Representatives becomes the resolution of the Diet. 	

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Diet Building



Frontal view



Central entrance



Chamber of House of
Representatives

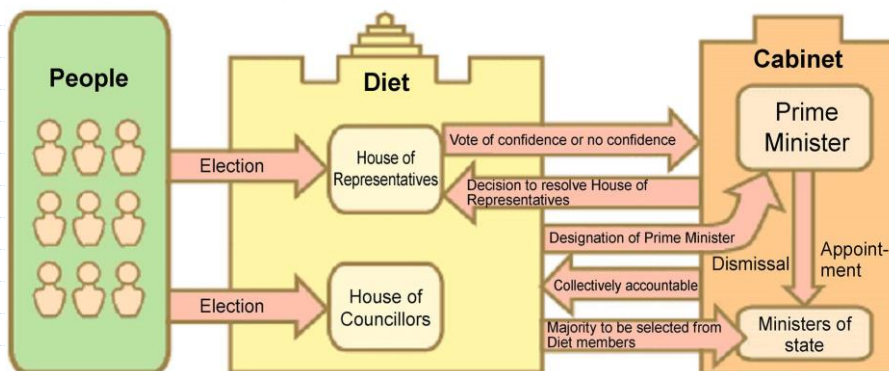


Committee Meeting Room
No. 1

Parliamentary Cabinet System

- The Prime Minister is designated by the Diet from its members and appointed by the Emperor.
- The Prime Minister appoints ministers of state (up to 17)
※provisional up to 18

●Workings of parliamentary cabinet system



Cabinet



Prime Minister Shinzo Abe



Abe Cabinet <http://www.kantei.go.jp/>

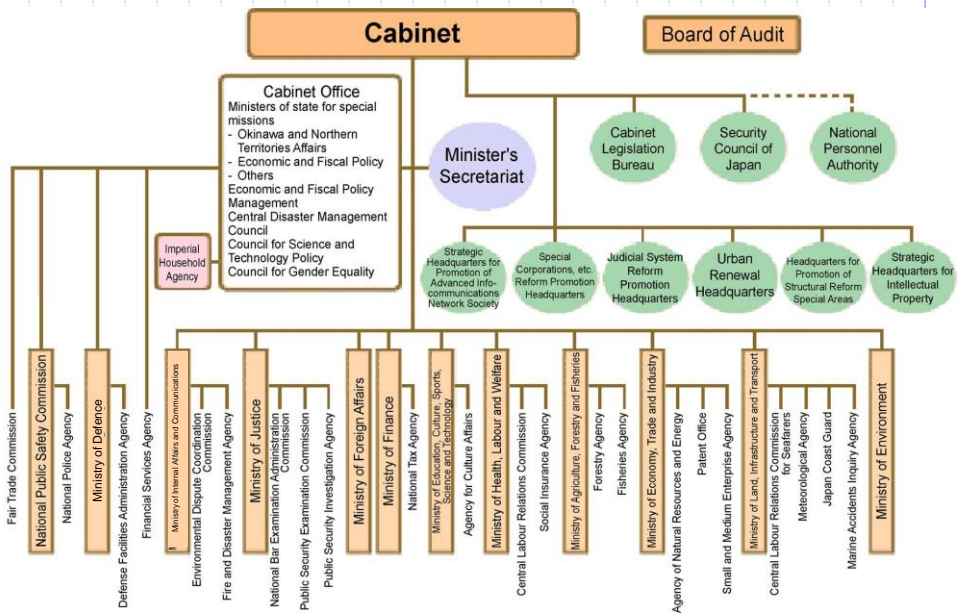


Prime Minister's Official Residence



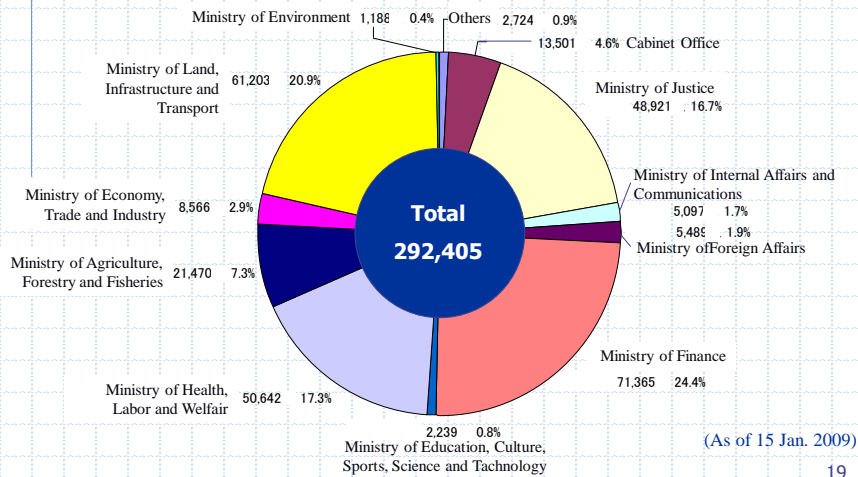
Cabinet meeting

Administrative Structure of Government



Number of National Public Servants

- Although the number of national public servants currently stands at about 300,000 efforts are being made to trim this by formulating an employee reduction plan.



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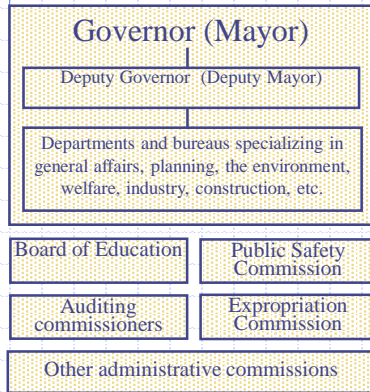
3. Local Government Organization

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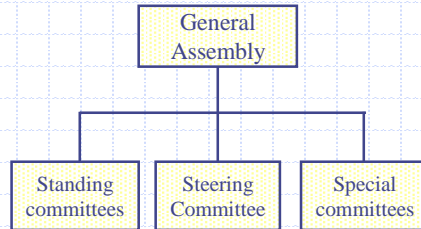
Local Government Structure

- Each local government consists of an executive body and an assembly.

<Executive body>



<Assembly>

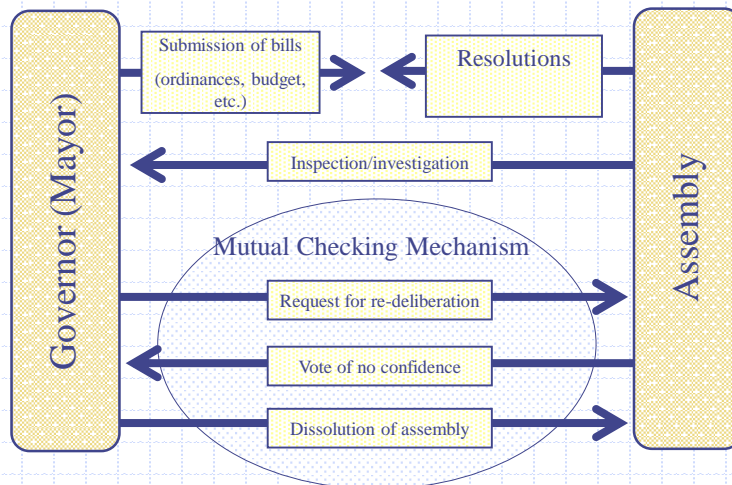


- The governor (mayor) and members of the assembly are elected by popular vote of residents. The term of office is four years.

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Relationship between Governor (Mayor) and Assembly

- The governor (mayor) and the assembly are equal to and independent of each other, and keep each other in check.



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Mechanisms for Direct Participation in Administrative Processes

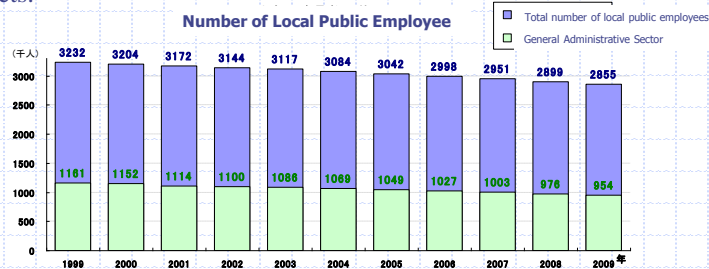
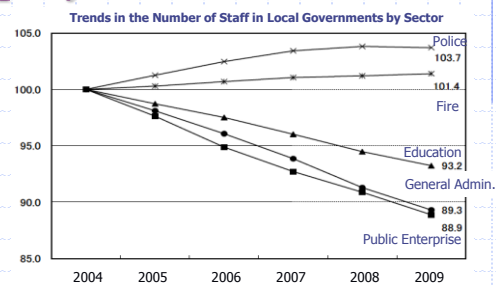
- To complement representative democracy, mechanisms for direct resident participation in administrative processes have been established.

Institutional framework	Description
Direct demand	<ul style="list-style-type: none"> Voters are entitled to make direct demands to the Governor (Mayor), Auditing Commissioners or Election Administration Commission on matters such as (1) enactment, revision or repeal of ordinances, (2) auditing of the affairs of the local government, (3) dissolution of the local assembly and (4) dismissal of local assembly members, the Governor (Mayor) and others by presenting a certain number of signatures.
Local referendum	<ul style="list-style-type: none"> Any special law that only applies to a specific local government must be put to a vote of the residents and endorsed by a majority of the voters.
Resident's demand for auditing	<ul style="list-style-type: none"> As a taxpayer, a resident is entitled to demand that the auditing commissioners conduct an audit regarding, among other things, a suspected illegal or unreasonable expenditure of public funds by local government personnel and take any necessary preventive, corrective or other measures.
Resident's lawsuit	<ul style="list-style-type: none"> If a resident objects to the outcome of a resident's demand for auditing brought forward by him/her, he/she may take the matter to court.

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Number of Local Government Employees

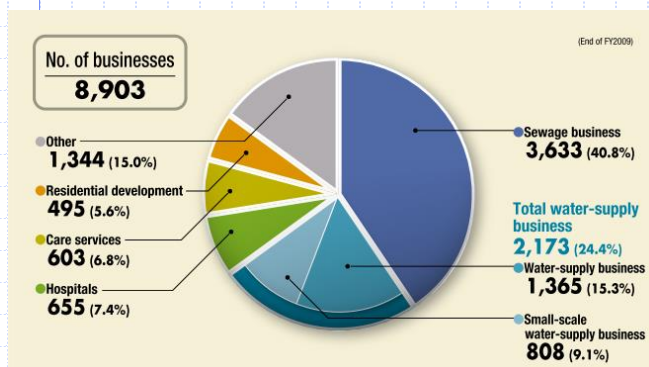
- While the number of employees has been increasing in some fields, such as police and fire service, to bolster services, efforts are being made to keep the numbers in check based on a scrap-and-build approach by setting payroll size control targets.



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Overview of Local Public Enterprises

- Local public enterprises are enterprises that are directly run by local governments to provide sewerage, water supply, transportation and other services. There are a total of 8,903 such enterprises.
- In principle, they must be sustained with fees and charges collected from users.

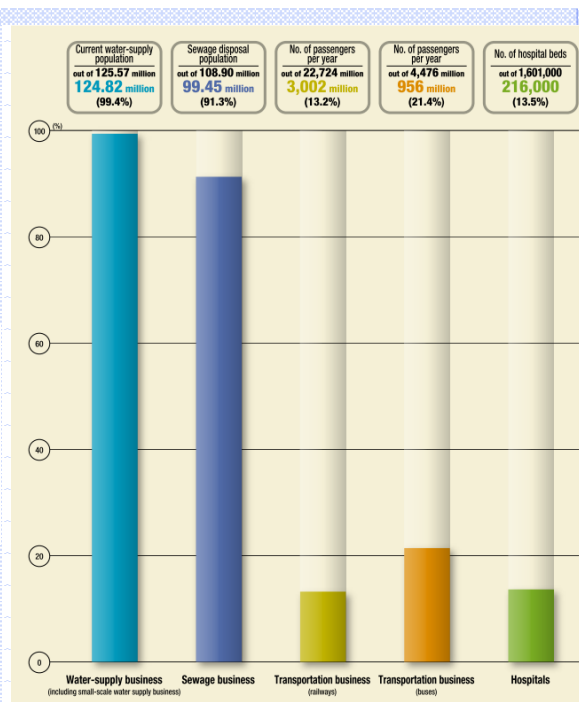


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Market Shares of Local Public Enterprises

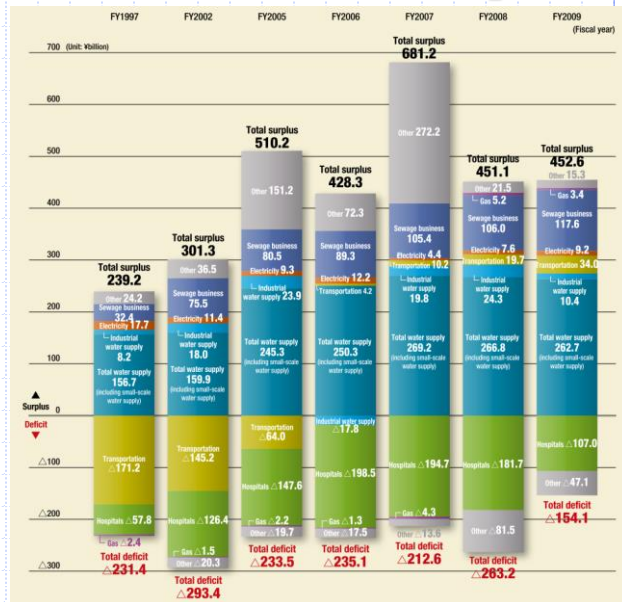
- Local public enterprises play a major role in improving the living standard of community residents.

(FY 2009)



Financial State of Local Public Enterprises

- While water supply, sewerage and other services enjoy surpluses, transportation and hospital services are consistently in the red.



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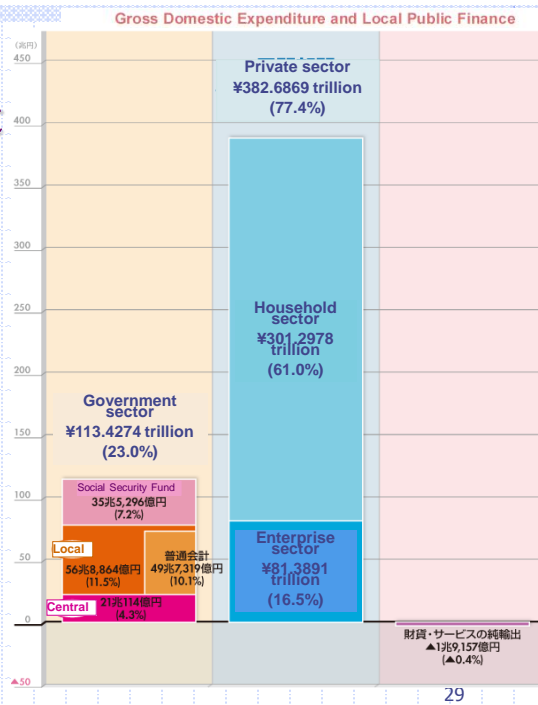
4. Financial State of National Government

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Financial Size of Government Sector

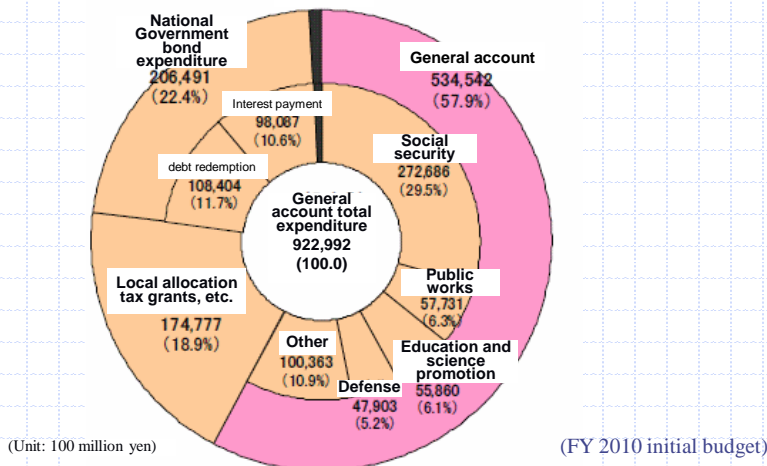
- The government sector accounts for 23% of the gross domestic expenditure, with local governments outweighing the National Government by a ratio of about 3 to 1.

(As of FY 2008)



State of National Government Expenditures

- The bond expenditure accounts for about 22% of the total expenditure, which amounts to ¥92 trillion.

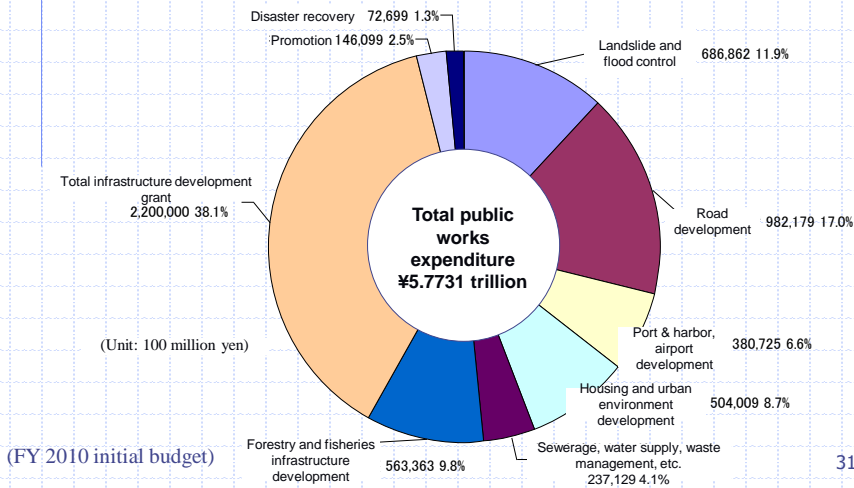


(Unit: 100 million yen)

(FY 2010 initial budget)

Breakdown of Public Investment Budget

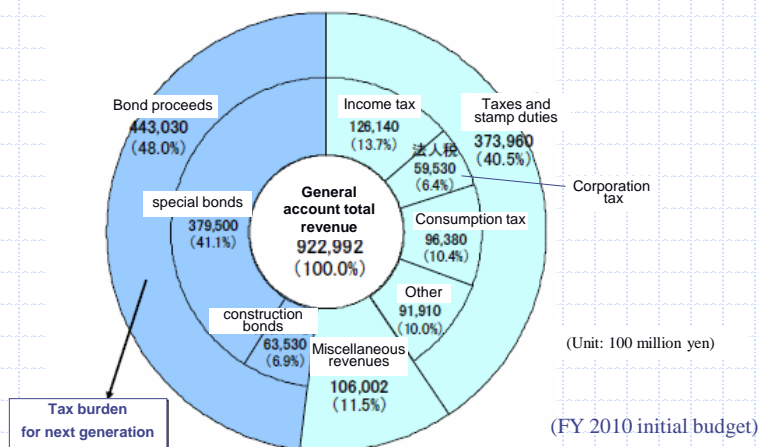
- Spurred on by a sustained high level of public investment, the level of infrastructure development has been rapidly rising.
- In the future, there will be a need to shift to a more focused and efficient investment strategy while curtailing the overall size of investment.



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State of National Government Revenues

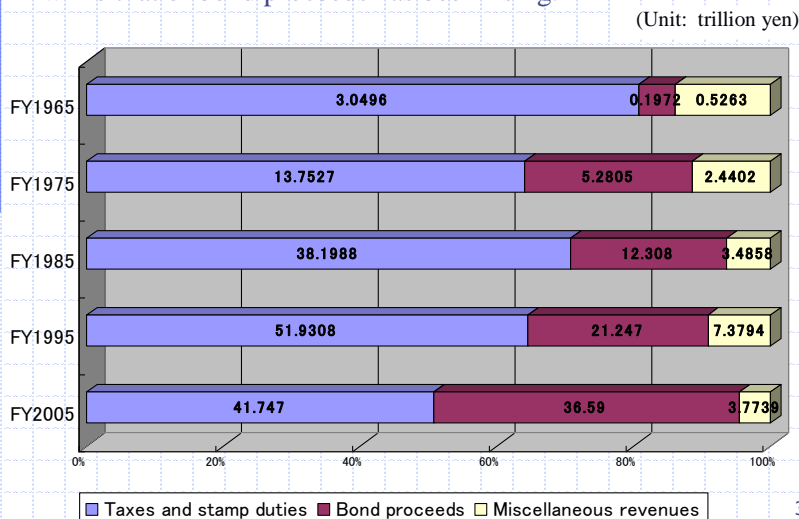
- With taxes and stamp duties only accounting for about 40.5% of its revenues, the National Government's public bond reliance is as high as 48%.



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Revenue Breakdown Trend

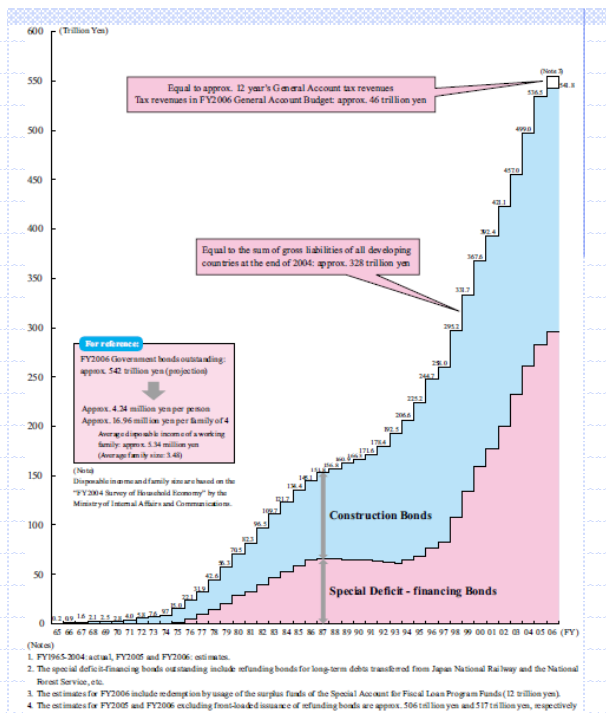
- The share of taxes and stamp duties have been steadily falling, while that of bond proceeds has been rising.



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Trends in Outstanding Amount of Public Bonds

- The outstanding amount of public bonds has been rapidly ballooning.

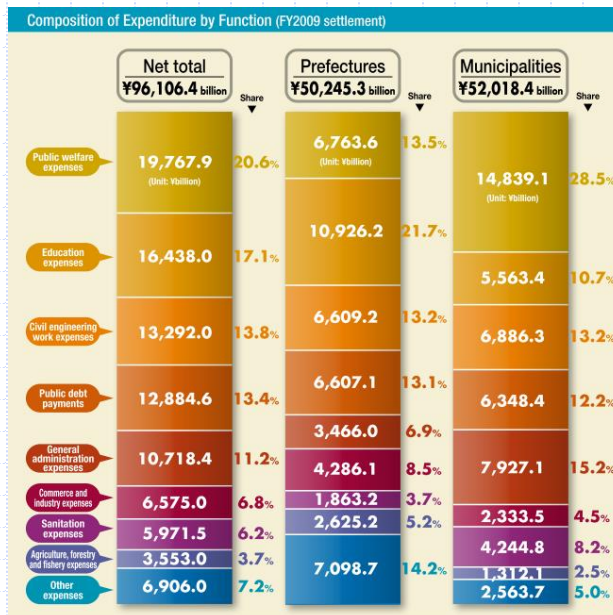


5. Financial State of Local Governments

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State of Expenditures of Local Governments

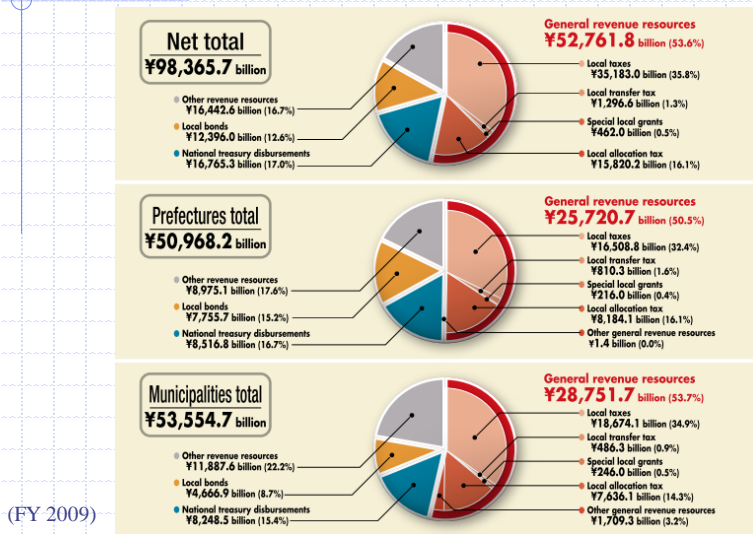
- Expenditures are traditionally high in education and civil engineering at the prefectural level and in welfare and civil engineering at the municipal level. In recent years, welfare and bond expenditures have been on the increase.



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State of Revenues of Local Governments

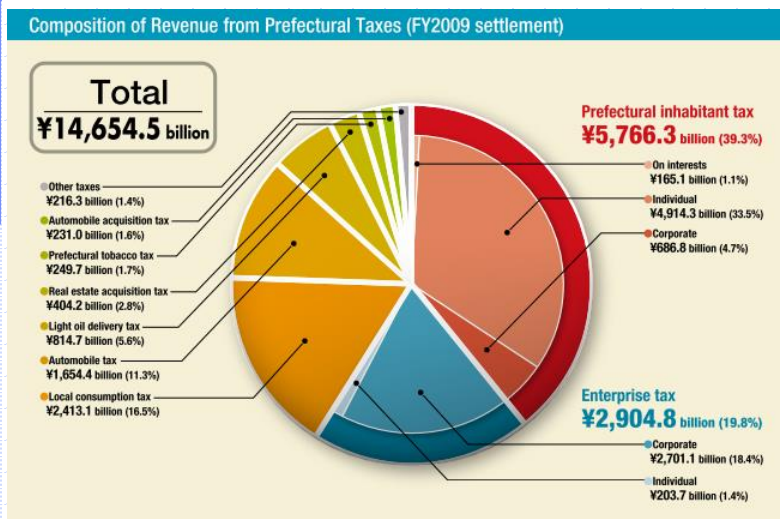
- Local taxes only account for about 35% of the total revenue at both prefectural and municipal levels.



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State of Local Taxes (Prefectural Level)

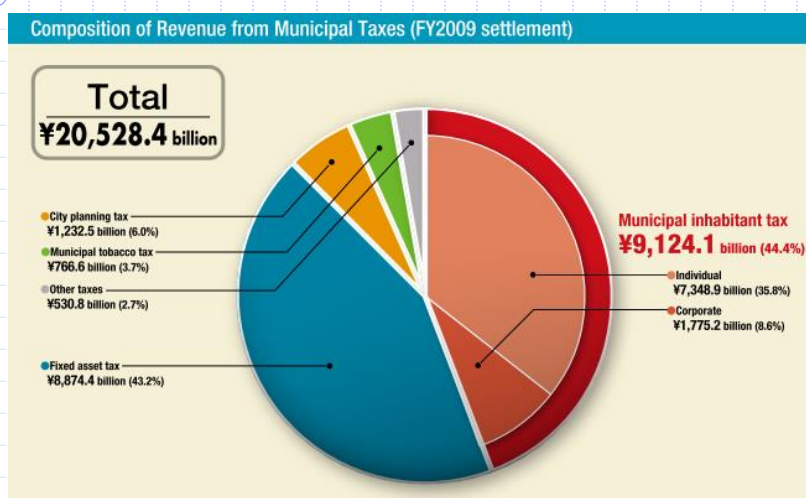
- Tax revenues are rather volatile due to high proportions of corporate business tax and corporate prefectural inhabitant tax, which are susceptible to fluctuations in economic conditions.



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State of Local Taxes (Municipal Level)

- Tax revenues are relatively stable due to high proportions of property tax and personal municipal inhabitant tax.

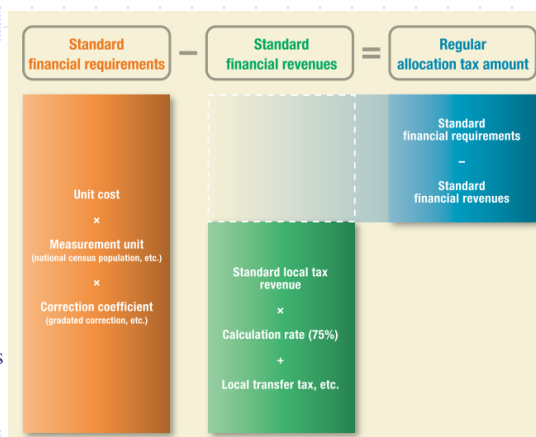


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Overview of Local Allocation Tax Grants

Local allocation tax grants constitute a revenue source provided by the National Government to ensure resident accessibility to standard administrative services and the provision of basic infrastructure anywhere in the country by minimizing financial disparities among local governments.

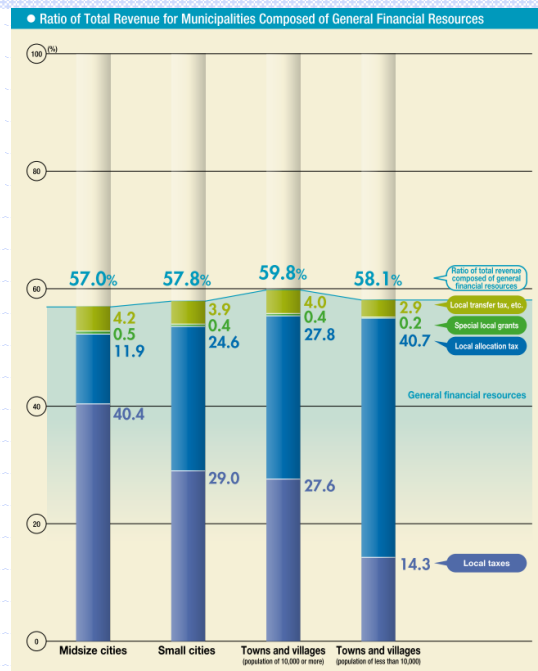
- Like local taxes, the usages of local allocation tax grants are up to local governments.
- Local allocation tax grants are provided to local governments which are set to experience revenue shortfalls based on a comparison of the cost of standard basic fiscal needs and basic fiscal revenues.
- Local governments which do not receive local allocation tax grants are Tokyo Metropolis and 151 municipalities only (FY 2009).



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Function of the LAT

- Because of revenue source adjustments, there are no significant variations in the ratio of general revenue sources to total revenues among municipalities, be it due to population size or any other factor.



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Overview of National Treasury Disbursements

- Provided by the National Government to finance the whole or a part of services or programs provided/implemented by local governments, national treasury disbursements are classified into three categories as shown below.

	Description	Examples
National treasury obligatory share	<ul style="list-style-type: none"> The National Government bears the whole or a part of the cost of a service or program provided/implemented by the National Government and a local government under joint responsibility. 	Compulsory education
National government subsidy	<ul style="list-style-type: none"> The National Government bears the whole or a part of the cost of a certain service or program provided/implemented by a local government to encourage/facilitate it. 	Road development
National treasury payment for agential tasks	<ul style="list-style-type: none"> The National Government bears the whole cost of a service or program provided/implemented by a local government on its behalf. 	National Census

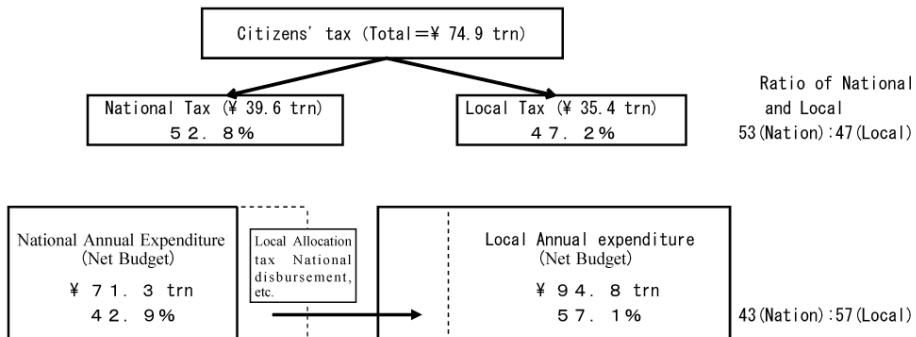
- Unlike local allocation tax grants, the usages of national treasury disbursements are specified by the National Government.

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Comparison of National Government and Local Governments in Terms of Access to Tax Revenue Sources

- The National Government outpaces local governments in tax revenue raising by a ratio of 3 to 2, but the ratio is reversed when it comes to expenditures, i.e. the National Government 2 vs. local governments 3.

Distribution of Financial Resources Between the National and Local Governments
(FY2009)



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Outstanding Amount of Borrowings Made by Local Governments

- Local governments' cumulative debt has been snowballing due to, among other things, a jump in the amount of local bonds issued to make up for revenue shortfalls due to a fall in local tax revenues and tax cuts and stimulate the economy.

