

## 1 【Specific measures taken in the second phase reform】

### (1) Participation by local governments

- Establishment of the “Local Administrative and Financial Conference (tentative name)”
- Reflection of opinions of local governments in the selection of the members of the Committee for the Promotion of Decentralization Reform
- Preliminary consultation with local governments for the preparation of the Plan for the Promotion of Decentralization Reform

### (2) Tax and financial systems

- A 50-50 allocation of the tax revenue resources between the national and the local taxes
- Realization of the idea of local allocation tax
- Reduction by half of the total number of national treasury subsidies and liabilities

### (3) Administrative system

- Elimination of the double administration by the State and local governments and reorganization of the State’s local branch offices ~ One of the principal items of the second phase reform
- The laws and regulations shall concern only the system framework, etc.; the execution standards of administrative works shall be stipulated by regulations.

### (4) Establishment of citizens’ autonomy

- Positive use of local autonomous districts and other local autonomous organizations
- Review of the tax system concerning personal and corporate donations to NPOs
- Review of assembly meetings (held once a week in the evening) to improve the same to suit the size of respective autonomous bodies
- Review of public hearings organized by the assembly
- Improvement of the training programs of assembly members/assembly secretariat staff

## 2 【Direction of the reform after the completion of the second phase reform】

### (1) “Decentralized wider-area local government system”

- Authority for administration of domestic affairs shall be delegated to wider-area local governments and municipalities; the State’s local branch offices shall be abolished; and the status of government employees shall be transferred.
- The wider-area local governments shall be autonomous bodies, replacing To/Do/Fu/Ken (prefectural) governments, under a two-layer system.
- To establish a new tax and financial system for the State, wider-area local governments, and municipalities
- To establish a new system for financial adjustments among wider-area local governments
- Assemblies that act as the representative organization of citizens must be set up.
- To review the system for selecting the chief executives

- To review the way to handle the Tokyo/the Metropolitan Area
- Opinions of local governments should be properly reflected when making a review.

(2) Amendment of the Constitution

- To clearly state in the Constitution the guarantee of local autonomy, promotion of decentralization reform, contents of citizen autonomy and organizational autonomy, basic rules of sharing of roles by the State and local public bodies, the range of the right of autonomous bodies to set up regulations, guarantee of financial autonomy of autonomous bodies, local governments' participation in the drawing up and implementation of administrative policy for domestic affairs, and organizations responsible for local autonomy (basic autonomous bodies and wider-area autonomous bodies)

3 【In order to improve the understanding of citizens regarding the decentralization reform】

(1) Arousal of public opinion

- To clearly explain to the citizens the state of local communities after decentralization reform

(2) Treatment of scandals, etc.

- More positive use of electronic bidding and abolition and reduction in the number of designated biddings
- To make top officials of autonomous bodies political appointees
- To promote exchanges between autonomous body officials and the private sector

(3) Increase of the capability of 6 local organizations

- To increase the capability to offer policy recommendations and check national policies
- To discuss a financial adjustment system with the inclusion of the Tokyo Metropolitan Government