

## **“Hashimoto Reform” Has a Particular Ability to Save Japan**

**— Achieving the Osaka Metropolis Concept Would Lead to a Major Change Equivalent to the Meiji Restoration**

SAKAIYA Taichi (Writer)

### **Fierce double election ends – Osaka Restoration Association overwhelms**

The Osaka “double election” held last November 27 to elect the governor of Osaka Prefecture and the mayor of the City of Osaka was intensely fought. National newspapers and television networks reported constantly on the event and news magazines ran numerous special reports, all focusing their attention on mayoral candidate Hashimoto Toru (former Osaka Prefecture governor).

It had been a while since an election for a head of a regional Japanese government had garnered so much national attention, and this was because the “Osaka Metropolis” concept that Hashimoto advocated has the potential to trigger change for Japan.

The resulting victory went to the Osaka Restoration Association duo of Matsui Ichiro, former Osaka Prefectural Assembly member, as the new governor, and former governor Hashimoto as the new mayor. It was a landslide victory over opposing candidates (Kurata Kaoru and Hiramatsu Kunio, respectively for governor and mayor) who had received allied support of the Democratic Party of Japan (DPJ), Liberal Democratic Party (LDP) and even the Japanese Communist Party in the election from their Osaka branches.

This result ensures ratification of the Basic Laws on Osaka Prefectural Teachers and Faculty bills that are on the table in the Prefectural Assembly. These laws can penalize and even fire teachers and faculty for unacceptable work performance. This ability itself could drastically change the employment system of Japanese teachers, faculty, and public officers. This is a field that was considered unchangeable due to ties between bureaucrats and unions.



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More important is that the Osaka Metropolis concept that the Osaka Restoration Association advocates will take a step further toward realization.

The concept is a major project for dissolving Osaka Prefecture and the two government ordinance cities of Osaka and Sakai, and forming a greater government of Osaka Metropolis (tentative name) and ten special autonomies each with a population of several hundred thousand people.

The power battles between and dual administration of the prefecture and city of Osaka have long been a difficulty known as *fu-shi awase* (prefecture-city faceoff – a play on the term *fushiawase*, meaning unfortunate). The Osaka Metropolis concept aims to solve the problem by changing the system. This must be the first time in our nation's history that such an attempt will take place with the public consensus of an election.

Of course, for this project to yield results, the Prefectural Assembly and Osaka and Sakai City Assemblies must reach a resolution, obtain majority approval in a referendum, and pass amendments of the Local Autonomy Law and other laws in the National Diet as well.

It is a long road, but the first step was planted firmly and this is potentially the first volley that will trigger reform throughout Japan. Japan currently suffers a state that we could even call the “third war lost,” and it needs an overhaul in thinking and systems.

### **The third war lost – Decline of the postwar system**

In its two centuries of modernization, Japan has lost two wars.

The first was in the 1860s as the shogunate's rule ended. Having long sustained the Tokugawa shogunate and feudal system, Japan was overwhelmed by the military and economic strengths of western powers and was forced to open its doors and dramatically change its ruling system.

Yet the nation viewed this as an opportunity and modernized, establishing itself forty years later as its own type of modern state.

Its growth peaked around the time of the nation's victory in World War I (around 1920), followed by a downhill period with the postwar depression and the Great Kanto Earthquake. Still, the nation maintained its free economy and buoyant culture for another decade.

But come the 1930s, darkness loomed with the wartime economy and military rule, and Japan fell into a state of international isolation.

The second loss came in the 1940s as the nation lost the Pacific War and sustained postwar disarray. Here again, Japan recovered in a short period of time, and a quarter-century later in 1970 it hosted the World's Fair Expo '70 in Osaka. By this time, Osaka had become a major city that

symbolized postwar recovery.

With the Osaka Expo serving as a milestone, the Japanese economy entered an age of a standardized, mass production-type of industrial society and continued to grow for the next two decades (1970–1990).

Osaka's economy grew along with it as super high-rise buildings were built in the city, and subways and highways were extended. In 1990, futures trading at the Osaka Securities Exchange boasted one of the highest levels in the world. In its bubble years, the Japanese economy boomed and Osaka appeared to be prospering; yet this metropolis was in fact already beginning its decline.

The first elements of the decline came in its loss of decision-making authority in economy and politics. Many in the Kansai area were involved in Expo '70, discussing everything from deciding on finance and rules to project design and international advertising. I was the Expo representative at its governing agency (the Ministry of International Trade and Industry) and was involved in discussions and decisions as an advocate of the exposition. Osaka was home to many headquarters of major corporations, so it had promising human resources. The prefecture and city offered people who could work on creative aspects and marketing.

Yet twenty years later in 1990, when Osaka hosted a smaller international expo called the International Garden and Greenery Exposition, members of the Ministry of Agriculture, Forestry and Fisheries and Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism) assumed a central role, and an advertising agency in Tokyo planned and designed pavilions. Creative people left Osaka, and the prefecture and city became a place of subcontractor agencies for the central government.

### **In the shadow of Tokyo centralization – Regional cities losing their intellect**

Why did Osaka fall in the growth phase of the Japanese economy? One reason is in the nation's policy of concentrating everything in Tokyo.

The Japanese government that aimed to develop an industrial society of standardized mass production adopted three basic policies.

One was to establish an economic system that bureaucrats would drive and industries would collaborate under. Bureaucrats therefore controlled the money and facilities, and distributed them evenly. This stabilized corporate management and enabled lifetime employment.

The second policy was education – developing human resources suited to standardized mass production. These would be patient, cooperative

people who possess general knowledge and skills, but lack uniqueness and creativity. Postwar school education strengthened elementary and mid-level education in the school district system for developing such people. It deprived students and parents, education's consumers, of the freedom to choose schools.

The third important policy of postwar Japan was to aim for a nation centered on Tokyo. It gave Tokyo the three "intellectual" functions of (1) center of industry and economy, (2) center of outbound information and (3) creating culture.

The central government bureaucrats used crafty tactics to accomplish this. To centralize functions of industry and the economy, they made every industry set up a national industry group headquartered in Tokyo. This would force heads of major corporations of each industry to live in Tokyo and establish their head offices there.

As a part of this process, in the 1970s they forced headquarters of textile industry groups that were in Osaka to move to Tokyo. They made organizations of Nagoya's ceramics industry and Kyoto's traditional crafts move to Tokyo as well.

To make Tokyo the center of outbound information, bureaucrats resorted to more coercive means. With paper media (magazines and books), they gathered publication distributors (such as Tohan and Nippan) in Tokyo and made every publication that would be sold beyond a prefecture go through Tokyo. With broadcasting media, they developed a "key station" system for TV broadcasters, approving only their main stations in Tokyo to produce national programs.

This made Tokyo the center of national information, and regional stations were no longer able to release news other than crime reports, accidents, traditional events or sports, which made it only natural for young people to seek work in Tokyo.

To make Tokyo the center of cultural creativity, the government made cultural facilities for specific purposes only in Tokyo. Clear examples of this include a kabuki-exclusive theater, symphony halls and ring-type sports gymnasiums.

On the other hand, numerous multipurpose halls and standard all-purpose gymnasiums were built in regions other than Tokyo. Multipurpose halls might be good for anything, but are inappropriate for everything. Orchestras and theater companies from Tokyo could come and perform, but they could not base themselves in and grow from such halls. The true nature of *hakomono* (boxes; referring to public facilities) politics widely exercised in the 1980s and 1990s was a means of bring regional cities under cultural colonization.

## **Regional administrations running on interests – The need for an Osaka Metropolis**

From such centralization of cerebral functions in Tokyo, Osaka incurred the greatest damage.

Until around the 1970s, Osaka was the center of industries such as finance, trade, textiles and home appliances. It had also accumulated functions of an information center, particularly with national newspapers. There was Kansai kabuki, Kansai art and Kansai literature. *Gekiga* (graphic novels), a new form of postwar culture, were a particularly substantial rival to Tokyo, with popular artists gathered in the area.

Yet with the bureaucrat-led centralization policy, these all moved to Tokyo. People in relevant businesses also moved, and Osaka lost much of its population. The outflow of population from the Kansai urban area since the 1980s reflects this policy.

The national bureaucrats, on the other hand, gave these brain-stripped regional cities the functions of “hands and feet,” which meant having them assume the fieldwork of the agriculture, manufacturing and construction industries.

Fortunately, the Japanese economy grew up until 1990, and production sites of the manufacturing industry (i.e., factories) increased. Regional cities were able to dream of prospering by supplying locations for factories. Tax income from these factories subsidized agriculture, fed construction work and paid for their numerous public officers and teachers. This Japanese policy of increasing production of commodity goods through standardized mass production was human civilization itself; exports grew and money came in.

When bureaucrats offer agricultural protection and construction work, they focus more on establishing the formalities rather than staging price competitions, and this leads to the formation of special interest groups. Public officers and teachers were offered status; they were promoted and given raises regardless of their skill or motivation. Their employment also led to the creation of special interest groups.

Here again, Osaka was a nation-leading model. Established here was a system of making interest not only from industry protection and public works projects, but also out of public work itself.

Osaka City has traditionally been a major self-governing city. Whereas Tokyo developed as the home of the central government since the Edo shogunate, and places such as Nagoya and Fukuoka developed as major

fortress cities, Osaka has long been the self-governing city of merchants. About 600 *bushi* (public officers), a mere 0.2% of the city's population, were involved in the city's administration and police work during the Tokugawa era. Police, laws and public works were all run by the people and on their donations.

Herein lies the reason why the city lacks human resources wanting to assume public work, and who would thus face little competition. All of Osaka's postwar mayors, with the lone exception of the former mayor Hiramatsu, who rode the support of the City Office Workers' Union that opposed mayor Seki Junichi's reform plans, were promoted from city employee positions (such as deputy mayor). This largely differs from Tokyo, where people come from around the nation to become public officials, teachers or police officers.

It was this Osaka that lost its economic functions and private sector energy, which spelled trouble. So Osaka went on to bear transportation work, waterworks, waste and port management, shifting to city autarchy. This obviously required concessions by local politicians and "saving face" at the local level, causing the area's unique and historic problems.

Osaka persistently rejected mergers with surrounding autonomies, and its domain area remains 222 square kilometers, the smallest of all major cities. Yet Osaka's city functions continued to expand beyond administrative boundaries and spread to broader prefectural domains. Before the war, 3.6 million of the prefecture's population of 4.8 million lived in Osaka City, but today, the city's population is 2.7 million while the prefecture totals 8.8 million. Corporate headquarters and commercial facilities have also spread out into the entire prefecture.

This naturally created the need for the prefecture to run its own urban administration. It began waterworks projects in cities within its jurisdiction other than Osaka. Everything from colleges, libraries and athletic facilities to river management and industry promotion are now under the double administration of both the prefecture and city. And each involves the interests of politicians, public officers and relevant organizations.

Double administration also means divided administration. Subways in Osaka, for example, are run by the city, and have trackage rights to only three stations on other private lines. This is a huge difference from Tokyo Metro, which shares almost all its lines with other railway companies. It is inconvenient for users, incurs high costs and raises prices. The achievement of better track-sharing would cut excessive labor and lower wages of Municipal Transportation Bureau employees to the level of private railway companies. This, however, is the very reason the City Office Workers' Union opposes subway privatization.

As a result, Osaka's financial and economic conditions deteriorated significantly, as did the quality of life of citizens in the city and prefecture.

The trend was particularly significant after the Great Hanshin-Awaji Earthquake in 1995. High-class residential areas midway between Osaka and Kobe were destroyed, reducing demand for luxury consumption and making way instead for unemployed people from around the country to come in and receive food and housing benefits among the earthquake victims. Osaka City Hall employees, humane and lenient in their criteria, accepted these people. The average annual income of Osaka City residents declined to 2.88 million yen in fiscal 2010. The number of people on social assistance is 26.5 per 1,000 people, the highest in the nation and over 10 times that of next lowest-rating Toyama Prefecture.

And this issue is not just the economy. The number of bag snatchings continued to climb until 2009, and rates of divorce, unemployment and cancer-related deaths are all the highest in the nation. Elementary and junior high national exam scores are the lowest of the forty-seven prefectures. These are incredibly depressing figures for a major city.

### **Everything good and bad starts from Osaka**

There is a saying, "Everything good and bad starts from Osaka." Modern industrialization and international trade of the Meiji period, and the postwar economic recovery and rise of new industry all started in Osaka. Yet Osaka in the last twenty years is known for its economy declining, culture hollowing out, and public projects and jobs driven by interests. And this too is spreading throughout the nation.

Particularly since the 2008 Lehman Brothers collapse, the entire nation of Japan has been suffering from a declining economy, technology and culture slumps and political confusion. The Great East Japan Earthquake in 2011 hit Japan with a similar impact that the Hanshin-Awaji Earthquake brought to the Kansai region.

Today, Japan is in this "third war lost" state, following the post-shogunate and Pacific wars losses.

Yet Japan has recovered magnificently from the past two wars lost and become a far more prosperous and admired nation. That is because it did not stick to old systems prior to the wars and dramatically changed goals and systems.

Today again, we need major changes in goals and systems. To do so, we must have pioneers. The Meiji Restoration did not occur as government reform. The last shogun, Tokugawa Yoshinobu, continually replaced his *roju*



(members of the council of elders) in an attempt to change government policy, only to end in vain.

The Tokugawa government, which was a class-based society, had crippled to a point where change of regime (replacing personnel) or change of method (policy change) could not restore it.

The Meiji Restoration began when Takasugi Shinsaku and his men staged a coup to gain power over the feudal Choshu Domain and founded the *kiheитай* (irregular militia) that recruited men regardless of their class. The Satsuma Domain later joined in, followed by the pro-revolution factions of the Tosa and Saga Domains, and volunteers from around the nation gathered. From Takasugi's coup (December 1864) to the Meiji Restoration (March 1868) was a mere three years; a change of an era occurs quite rapidly.

What was the Meiji Restoration? It was not a mere change of regime; it was a change of goals and systems.

In more specific terms, it started with the 1869 *hanseki houkan* (abolishment of the public officer class of *bushi*). This would equate to today's reform on the public officer system.

The second step was opening the nation's doors. This meant shifting from the shogunate's reluctant opening to a willing open-door policy to voluntarily acquire foreign systems, technology and human resources. Today's equivalent would certainly be Japan's participation in the Trans-Pacific Partnership (TPP) negotiations.

Third was the *haihan chicken* (changing domains to prefectures) of 1871. This would be today's shift toward a federated state system. The Osaka Metropolis would be a forerunning concept. It also serves as an opportunity to rework the centralized system maintained since the Meiji period and to create a decentralized system that will survive competition among other cities around the world.

Fourth was the new currency law, of abolishing the *koban* and *sen* coins and creating bills with the unified units of *yen* and *sen*. This gave the economy a means of creating credit, which dissolved financial problems and paved the way for railroad, postal service and mine development. This would be today's deregulation of the financial market and internationalization of the yen, and the shift from a controlled deflation policy to an entrepreneur-supporting inflation policy.

And fifth was educational reform – abolishing *terakoya* (temple schools) and *shuyojuku* (learning schools) and establishing schools with chairs and unified textbooks. This met the changed objective of education from producing apprentices geared toward a stable life in a class society to developing modern people who can act voluntarily. This would refer to today's system reform that aims to shift from developing human resources that





match standardized mass production to developing diverse talent required in a society of intellectual value.

The five elements of the Meiji Restoration are exactly what attract public attention today. And the change in thinking and systems that is required to achieve them is the object of the Osaka Restoration. The fall electoral campaign, the “siege of Osaka,” was hardly an end of an event. Nor was it the beginning of an end.

It was merely an “end of a beginning” – the start of reform.

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Born 1935, in Osaka Prefecture. Graduated from Faculty of Economics, The University of Tokyo, and joined the Ministry of International Trade and Industry (MITI; now the Ministry of Economy, Trade and Industry). Planned the Japan World Exposition and succeeded in opening the event. Left MITI in 1978 to pursue a career as a writer and critic. His recent works include *Dai-san no haisen* [The third war lost] (Kodansha).

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