Policy Transfer in Theory and Practice: What Can Japan Learn from ‘Regionalism’ and Devolution in the UK?

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Abstract

‘Regionalism’ can be defined broadly as the creation of a governing tier between central and local government. The experience of regionalism in Western Europe – and Scottish devolution within the UK in particular - has attracted significant academic and policymaker attention in Japan. It could provide important lessons if Japan’s regionalism agenda is expanded. However, lesson-drawing will not be successful unless the borrowing government understands how and why policy developed in the lender – and if that experience is comparable to its own. We can only use the UK experience to give relevant insights to policymakers in Japan if we understand why they seek, and how they will use, that information. In Scotland, devolution arose largely from local demand for more governing autonomy. In Japan, there is a stronger economic and ‘smaller government’ imperative. It is difficult to assess UK regionalism as an economic project (and English regions may be more relevant than Scotland). However, we can identify three relevant issues. First, the UK experience shows what it takes to create and sustain popular support and legitimacy for regionalism. Second, the Scottish experience demonstrates the ability of regions to develop their own policymaking networks and governing styles - to coordinate regional policies promoting social and economic development. Third, it demonstrates the potential for regions to cooperate with national governments to coordinate policymaking in shared areas, and to share lessons when they innovate.

Keywords: regionalism, devolution, UK, Scotland, Japan, policy transfer, comparative public policy

Introduction

A focus on policy transfer prompts us to consider how one political system could learn lessons from another. To produce meaningful lessons, we must consider the comparability of those systems and their reasons for pursuing policies. In the case of regionalism in the UK and Japan, this involves two different systems pursuing policy for markedly different reasons - and the most relevant differences may not be immediately apparent. For example, the UK is often described as ‘majoritarian’ (power is centralised, politics is adversarial and policy is made from the top-down), while Japan is associated with a form of consensus politics in which leaders negotiate with their parties and bureaucrats (Mulgan, 2003; compare with Jordan and Cairney, 2013). The UK and Japan display differences in a range of features, from government infrastructure (including their central-local government systems) to socioeconomic conditions (including levels of government debt and regional identity). Policymakers in each country ‘frame’ policy problems differently and seek to solve them in different ways. However, they may also seek to learn lessons from each other despite these differences. In this context, the role of academic analysis is to identify how their experiences
may be comparable. To ascertain the most relevant lessons from the experience of one country to another we must identify, in considerable detail, the most relevant similarities and differences in their politics and policymaking.

We focus on the case study of ‘regionalism’ (dosu-sei) to describe the policy innovation in the UK which has captured the attention of policymakers in Japan. ‘Regionalism’ is a broad term to describe the pursuit or creation of a governing tier between central and local government. It is one of the most significant trends in modern states during the age of ‘globalisation’ (Pierre and Peters, 2000). In Europe in particular, we can identify challenges to the nation state from above and below. Globalisation may reduce borders associated with communication, transport and market activities, while the European Union often replaces the nation (member) state as the sovereign policymaker. Regionalism has emerged as one response, although the primary reason to create regions varies markedly by country (Keating, 1998). It can reflect cultural distinctiveness and the demand within regional populations for some form of autonomy (Keating, 2003). It can represent a means to reinforce the value of local democracy and self-government as demanded by local governments.

Regionalism can also mark a response to the reduced capacity of the Keynesian state to manage the national economy; regional bodies (such as government outposts and development agencies) may be established to fund economic development and coordinate networks of organisations such as small-and-medium-sized enterprises, research institutes and public bodies (Keating, 1998; Ohmae, 1995). Regionalism may be promoted by the ‘centre’ to reduce their delivery role as part of a new public management agenda (Pierre and Peters, 2000). The state may seek to decentralize and reduce government spending but maintain its influence on regional and local governments and regulate public policies. Some countries may pursue ‘fiscal federalism’, in which regionalism is accompanied by the devolution of some types of tax and spending (Oates, 1999; 2005; Ter-Minassian, 1997; Kim, Lotz and Blochlinger, 2013). This difference is central to our UK-Japan comparison: regionalism may be a way to further national identity in the UK but economic reform in Japan.

Regionalism can also take different forms, including a uniform system in which policy responsibilities are devolved to regions with equal responsibilities, and an asymmetric system in which responsibilities are devolved only to some governing units. Japan’s regional agenda contains both elements: a uniform system of local government but an incremental regionalism agenda that began with the devolution of powers to two regions (Hokkaido and Okinawa). There is also some demand for greater devolved powers to the Kansai region. Consequently, it has the potential to learn lessons from different systems, such as the federal Germany (although Japan has become more like France - Thoenig, 2005, Keating, 1999; Loughlin 2007) and the asymmetric UK. This paper focuses on the latter because the authors were invited by the National Diet of Japan to examine the most relevant lessons from the UK experience (identified by the National Diet library). We highlight the potential for comparison between areas such as Hokkaido and Scotland. We also identify the differences
between the two countries which complicate comparison and the ability of Japanese policymakers to draw lessons from the UK.

We focus on three areas identified by the National Diet. First, policymakers may be interested in their ability to generate sufficient, sustained, support for regionalism. The UK experience is useful because it shows that support for regionalism took decades to achieve, and that there is significant variation in support for devolution – by the government and the public – in Scotland, Wales, Northern Ireland and the English regions. Second, policymakers may want to know if regionalism will deliver their economic aims, which require the development of meaningful networks between government and economic organisations. We focus primarily on the Scottish Government’s ability to coordinate policies, to promote social and economic development, in a distinctive way. Third, policymakers may want to know if regions can work with each other, and the central government, to coordinate policymaking in some areas, and to share lessons when they innovate. To do so, we adapt Rose’s (2005) ‘lesson-drawing’ framework to analyse the main similarities and differences in the UK and Japanese political systems and regionalism policies.

**Applying Policy Transfer Insights to the Study of Regionalism**

Lesson-drawing will not be successful unless the borrowing government understands how and why policy developed in the lender – and if that experience is comparable to its own (Rose, 1993). The literature contains multiple cases of failed policy transfer following a country’s importation of a policy without understanding what made it a success in that country and how the programme should be adapted (Dolowitz and Marsh, 2000; Dolowitz, 2003). Rose’s (2005: 8) framework encourages more practical lesson drawing, beginning with a discussion of which countries to learn from (note the assumption that the process is ‘voluntary’ – Bennett, 1991: 227; Dolowitz and Marsh, 1996: 347-8; Holzinger and Knill, 2005: 779; see also Cairney, 2012a: 245-50 on the transfer terminology). However, given our initial starting point – that policymakers in Japan want to learn from the UK - we can restrict our advice to that context, asking the following questions.

*Are we sharing lessons about the idea of regionalism or aspects of a specific programme?*

Policymakers may be interested in general principles, which they might use to inform their thinking, or specific programmes that they would like to import. In the case of regionalism, even the same idea may be framed differently. In the UK it may be framed as a way to address local demand and in Japan to pursue economic reform. This may be a crucial point if the lesson from the UK is that devolution is expensive – it could counter the expectation that regionalism can be used to cut costs and ‘red tape’.

A country may seek to import a specific programme, prompting us to identify its compatibility with the borrower’s existing system. For example, the UK devolved discrete areas of policy – including health, education and local government – to Scotland, Wales and Northern Ireland as a basket of responsibilities akin to ‘type 1’ multi-level governance (Hooghe and Marks, 2003). It devolved some responsibility for economic regeneration
spending, but not taxation (there are local business taxes, but corporation, sales and income taxes remain almost-exclusively central). It also devolved policies, such as environmental and agriculture, which are largely determined at the European Union level. In Japan, national and local governments both deliver policies in areas such as health and education, and future regionalism may produce the further devolution of taxes (such as corporation) to encourage foreign direct investment - a strategy that is less open to EU member states (subject to strict rules on state aid). Japan has no equivalent to the EU as a constraint on regional autonomy. So, the UK may provide broad lessons, but it does not have the specific experience to make the most meaningful comparisons.

The comparison is also complicated by asymmetrical UK regionalism. This may allow the UK to provide different lessons from different regions, if we can identify the most relevant differences – from a long list - between them. For example, Scotland and Northern Ireland were given primary legislative powers from 1999, while Wales only enjoyed secondary powers (before further devolution from 2006 and 2012) and the English regions did not. Scotland and Northern Ireland’s responsibilities are those not-reserved by the UK; Wales’ are specifically devolved (see Birrell, 2012: 15). The Scottish Parliament (129) and Welsh Assembly (60) members are elected by the Mixed Member Proportional system (the Scottish Parliament has a more proportionate mix of constituency and list members) and Northern Ireland uses the Single Transferable Vote. Each system tends to increase small party representation and reduce the chance of a single party majority (although this happened in Scotland in 2011), while Northern Ireland has a power-sharing system to ensure representation in government for (the larger) ‘unionist’ and (smaller) ‘nationalist’ parties. For policy implementation and public service delivery, all three rely on local government (councils) and Non Departmental Public Bodies (quangos), but have addressed their own governance arrangements in different ways (although a common strategy has been to reduce the number or functions of quangos to increase direct accountability and/ or devolved government capacity) (Yamazaki, 2004; Birrell, 2013). Only the Scottish Parliament has income tax raising/ reducing powers (3p in the pound, until the Scotland Act 2012 raises it to 10p), which have remained unused. Scotland (8.1%), Wales (4.9%) and Northern Ireland (2.9%) account for approximately 16% of the UK population of 63 million (Cairney and McGarvey, 2013: 202).

What are the aims of the importing country? What lessons do they seek?

We have used the shorthand of Japan learning from the UK, but lessons are sought from particular actors with their own aims and demands for information. This demand has also changed to reflect Japanese developments. First, attention in the 1990s may have been on local government, not regional, reform. Second, while regionalism now has significant party support in Japan, it has the potential to produce uniform or asymmetric arrangements.

Attention to decentralisation – as a solution to the problematic, centralised Japanese political and administrative system - was already apparent in the 1990s (Hein and Pelletier, 2006). It followed concern with factors such as: frequent political scandals involving corruption
among elected officials; the deteriorating efficiency and effectiveness of public policies formulated by the central government; and, Japan’s serious fiscal condition. Local governments demanded greater legislative and administrative powers.

The central government response was mixed. The Comprehensive Law on Decentralisation was passed in 1999 to abolish the system of ‘agency delegation’ and transfer responsibilities for policy implementation back to local government (Muramatsu et.al., 2001; Ikawa, 2008: 12). However, a transformation of administrative and fiscal resources from the central government to local government did not take place. The reform of local finance allocation – ‘Three reforms in One’ - was carried out from 2003-7. It gave local governments more discretion over reduced spending, by transferring tax resources to local governments but cutting subsidies and grants to local governments (Stockwin, 2008). The Japanese local government system was also maintained as a two-layer system: 47 prefectural governments and about 1700 municipalities.

Japanese prefectural governments have some administrative and legislative powers. Their capacity lies between that of the Welsh and Scottish governments’ 1999 settlement. However, innovation is limited by funding and formal and informal central government rules. ‘Policy communities’ – the relationships between ministry bureaucrats, interest groups, local authorities and politicians - are generally functional, and the central government lacks powers to ‘join-up’ functions (Campbell, 1989, Samuels, 1983; 1987; Krauss, 1995; Reed, 1987; Muramatsu, 1994). So, prefectural governments are expected to coordinate policy fields which are separated at the central level. Much of the performance of prefectural governments depends on the leadership of elected governors. Some governors have received attention for their innovative performance (using bylaws and new local taxes) in areas - such as freedom of information, environmental taxation, the promotion of non-profit activities, or (new public management style) administrative reform - not addressed as well at the ‘centre’.

This sense of unfinished reform, combined with attention to the important role of subnational actors when they have sufficient powers, provides the context for recent attention to doshu-sei (for example, from the Prime Minister’s advisory committee - Local Government System Research Council, 2006). It is often presented as a new means to: (a) create regional government (8-13 regions) incorporating several prefectural governments; (b) transform administrative and financial powers and staff currently under the jurisdiction of national ministry branches; (c) create networks to promote economic prosperity; and/ or (d) reduce the size of the public sector. Regions would have greater discretion to implement their own public policies, reflecting the ‘fiscal federalist’ view that they are better equipped than the centre to make economic development policy. Regional governments are expected to unify an economic area, link directly with the global market and bypass Tokyo. Many political and business actors also promote regionalism to decrease the number of public workers, and local dependence on fiscal allocations from the centre, to address Japan’s large national debt. One aim is to reduce administrative duplication between the centre and localities; another is ‘small government’. A key reference point is inflexible central government regulations and ‘red tape’ which could be cut if power was devolved to regions more able to adapt quickly to
business needs (KEIDANREN, 2013). Japanese regionalism is not an expression of regional identity (or a way to revitalise local democracy). A demand for regionalism may come from local areas – such as Kansai and Kyushu – but by governors and business groups.

The issue remains unresolved because there is political party support for the principle of doshu-sei but disagreement about what form it should take. Some plans refer to the abolition of prefectures - which may be opposed in some local areas (see Mabuchi, 2001: 194 on earlier post-War attempts, which were opposed partly because they became associated with ‘an appointed governor, a symbol of retrogradation of democratization’). Or, greater regional autonomy may become associated, for some, with the expectation of regional disparities, and the potential for differences in public services (and unemployment), resulting from differential taxation and revenue in regions with different levels of economic activity. For many, a national system, in which central government redistributes regional resources, may be preferable to a further devolved system with greater regional competition.

One outcome of the debate may be more asymmetric regionalism. In 2009, the Liberal Democratic Party (LDP) manifesto suggested that ‘in order to promote drastic decentralization’ it would ‘enact a basic law on the doshu-sei (new regional system of government) as soon as possible’ (Consulate General of Japan in New York, 2009). The plan is supported by parties such as Your Party (Japan Press Weekly, 2011). However, in the absence of a further impetus to reform, it is an issue unlikely to be high on the government agenda, partly because the previous government (led by the Democratic Party) faced some opposition to its idea of doshu-sei to all regions, and partly because the current Prime Minister - Shinzō Abe – is more interested in issues such as reaffirming a strong sense of Japanese national pride, which involves addressing, for example, ‘taboo’ subjects such as the reform of the role of the Japanese army. The most likely further impetus may produce asymmetric devolution: Shinzō Abe may negotiate with Tōru Hashimoto, Mayor of Osaka City and co-leader of the Japan Restoration Party (Nippon Ishin no Kai), to exchange (a) LDP support for devolution in Osaka (and surrounding territories in the Kansai region); for (b) JPR support to amend Article 9 of the Japanese Constitution (although JPR support, and its importance to the LDP, has fallen recently).

This would add to the asymmetric devolution already in place, with Kansai a very different region to Hokkaido and different again to Okinawa. In Kansai, regionalism has emerged only recently. In 2010, seven prefectural governments agreed to establish a new regional institution to promote prefectural cooperation and implement some region-wide public policies. Hokkaido and Okinawa have much longer histories of special governing arrangements, in which the Japanese central government created and controlled institutions and allocated fiscal resources to promote the improvement of infrastructures and economic development.

Hokkaido’s population grew significantly after migration from mainland Japan from the 1860s. After the Second World War, until the 1990s, the central government saw Hokkaido as an important region, both militarily (neighbouring the Soviet Union) and economically (it
expected Hokkaido to produce natural resources and food, and to accept surplus populations and heavy and chemical industries from the main areas of Japan. The Hokkaido Development Act 1950 created a territorial ministry and the Hokkaido Development Agency. Hokkaido had fiscal advantages and ‘administrative devolution’ introduced by the centre (in the absence of a political movement or strong popular support for self-government). Following the end of Cold War, and the new age of ‘globalisation’, Hokkaido lost this privileged political and socioeconomic position. The main development institutions remained, but the Hokkaido Development Agency was incorporated into the Ministry of Land, Infrastructure, Transport and Tourism in 2001. From 2003, the LDP-led coalition government saw Hokkaido as a relatively easy way to pursue its new interest in regionalism (as a way to consolidate national ministry branches into prefectural government) - since Hokkaido does not have to combine with neighbouring prefectural governments. However, the consolidation plan was shelved, partly because the Hokkaido prefectural government expressed concern about the policy’s effects and the loss of its remaining development institutions. Instead, from 2007, the central government invited prefectural governments to propose their own plans for devolution and deregulation. The Hokkaido Government has proposed plans to the central government several times but almost all have been turned down by the central ministries.

Compared to Hokkaido, Okinawa has a longer history, stronger cultural distinctiveness and more important military role (US military bases are still concentrated there). It also has a more significant territorial identity, linked strongly to the continued US presence. Formally, the central government denies allegations that Okinawa has special institutions as compensation for accepting US military bases. However, successive Okinawa prefectural governments have demanded some form of devolution. After the US returned control of Okinawa in 1972, Japan’s central government passed an Act on Special Measures for the Promotion and Development of Okinawa, and established the Okinawa Development Agency. The main objective was to attain Japanese national average standards regarding infrastructure and socioeconomic conditions. In 2012, the Act on Special Measures for the Promotion and Development of Okinawa introduced a new fiscal resource allocation system giving the Okinawa prefectural government high discretion over spending its block grant (similar to the UK block grants to devolved territories) and allowing specific measures such as duty free shops and the reduction of aviation fuel tax.

If Japan seeks lessons, can the UK provide them?

These developments may increase the relevance of the UK’s regional asymmetry. However, we should bear in mind their major differences regarding policy aims. First, the Japan agenda on smaller government contrasts with UK devolution. Scottish and Welsh governments have been more likely to support a public sector workforce and large welfare state. Second, groups such as the Confederation of British Industry (CBI) opposed devolution to Scotland and Wales and regionalism in England (interview, CBI North East, 2004). They argued that regions would add an extra layer of bureaucracy and red tape. It took many years for business organisations to adapt to devolution (Keating et al, 2009) and levels of support among businesses vary considerably (from continued scepticism at one extreme, to a support for
Scottish independence at another). Third, regional competition to pursue differential fiscal policies has not been a strong driver for reform. The devolution of taxes was never on the English regional agenda. Devolution to Scotland, Wales and Northern Ireland did not change the established system of fiscal transfers.

Rather, in the UK, devolved government was associated primarily with democratic, not economic, policy. It is also tied more closely to political party fortunes. The UK Conservative party (the closest equivalent to the LDP) opposed regionalism when in government (up to 1997). The main force behind regionalism was the Labour Party (perhaps closest to the Democratic Party), which promised referendums on devolution in Scotland and Wales in 1997, then promoted a more limited form of regionalism in England (largely to aid economic regeneration and introduce elected assemblies). Devolution in Scotland and Wales attracted majority support in referendums (it was more popular in Scotland) and, in Northern Ireland, there was sufficient support for devolution (and a consociational political system) as a compromise between competing aims to keep Northern Ireland as part of the UK or Ireland (Tonge, 2000). Local authorities and a range of trade unions, religious and charitable organisations were also publicly in favour of devolution in Scotland as a democratic project (Cairney and McGarvey, 2013: 29). Much was made of the ‘democratic deficit’, when most voters selected the Labour party but received Conservative government (particularly during the Thatcher and Major-led governments from 1979-97).

Overall, it is difficult to detect a sense of common purpose in the UK and Japan. In the UK, it is difficult to find an equivalent idea that regionalism may aid the reduction of spending and the public sector. Indeed, we can identify the opposite case – that ideologically driven devolution may be expensive. Devolution was introduced in the UK at a time of relative economic stability and optimism which contrasts with Japan’s economic crisis. Further, from 2010, the Conservative-led UK government has treated the abolition of almost all regional functions as a way to reduce public expenditure and/ or to encourage local government and business cooperation (Sandford, 2013; Ayres and Stafford, 2012: 3). Key UK and Japanese actors appear to have opposite views about the potential economic costs or benefits to regionalism – suggesting that we should be cautious about treating the UK as a model for Japan.

Can we compare the lessons from the UK with the lessons from Japanese history?

In the UK, we may conclude that subnational government reorganizations are costly; that devolution was not designed to reduce government bureaucracy. This may compete with one interpretation of Japanese history, in which major amalgamations of municipalities, from the 1950s, were ‘oriented toward economic development’ and ‘laid the foundation for economic growth and political democracy in post-War Japan’ (Mabuchi, 2001: 185; 190). The economic argument is strong in Japan and certain policymakers may be more interested in the ‘how-to’ than the ‘should-we’. In that case, they might learn more from countries such as Sweden which also have a history of reducing the number, and strengthening the powers, of municipalities (Wollmann, 2004: 647-8; Mochida and Lotz, 1998).
Can we produce a ‘generalized model of how a foreign programme works’ and turn it into a ‘lesson fitting your own national context’?

We want to know how a programme works so that we can adapt its most successful elements (Rose, 2005: 69). Yet, the main reasons to describe the UK as a success may not be relevant to Japan. Consider, for example, the success of Scottish devolution in terms of some of the identified (and implicit) aims of its supporters (Cairney, 2011: 241-56; Cairney and McGarvey, 2013: 274-5):

1. It addressed the ‘democratic deficit’.
2. It produced the potential for a shift from ‘majoritarian’ to ‘consensus’ politics.
3. It boosted the representation of women in the Scottish Parliament.
4. It provided a way to satisfy local demands for devolution (and a platform to discuss further constitutional change).
5. It produced the potential for policy to be based on problems identified, and demands expressed, in Scotland.
6. It did so without undermining the Scottish-UK Government relationship.

In Japan, several points may be irrelevant: there is more limited popular support for regionalism; and ‘majoritarianism’ and microcosmic representation have not been major concerns in the debate. Further, given Japan’s focus on focus regional economic development, there may be more scope to consider the UK as a source of negative lessons. The question may be: why did UK regionalism fail to produce reductions in administrative costs and/ or the expected economic gains?

What Are the Most Relevant Lessons From Regionalism in the UK?

In this context, what is there to learn from the UK? Following the National Diet’s agenda, we examine three main areas.

1. Support for Regionalism

Policymakers may be interested in their ability to generate sufficient, sustained, support for regionalism (and whether it can lead to demands for independence). The UK shows that support for regionalism took decades to develop, and major variations still exist between regions. In the 1997 referendums, support in Scotland was 74.3% (turnout 60.2%) and 50.3% in Wales (50.1%); in 1998 support in Northern Ireland for the ‘Good Friday Agreement’ was 71.1% (81.1%); in 2004, support for a North-East regional assembly was 22.1% (47.7%).

In the 1979 referendums in Scotland and Wales there was insufficient support. Wales attracted an 80% ‘No’ vote. A small majority were in favour in Scotland, but not enough to pass the legal threshold of 40% of the voting population (Cairney and McGarvey, 2013: 25-6). It took eighteen years – and a series of events - to develop sustained support. The most important event was the election of a Conservative Government led by Margaret Thatcher. ‘Thatcherism’ is particularly important to the story of Scottish devolution: it heightened attention to the ‘democratic deficit’; ‘Not identifying with the Conservatives’ was more
important to support for devolution than identification with parties like the Scottish National Party (SNP) (Mitchell and Bennie, 1996: 101); and, it contributed to an argument in the 1990s that Scottish devolution represented ‘unfinished business’, and that a Scottish assembly in 1979 could have ‘defended Scotland from Thatcherism’ (McCrone and Lewis, 1999: 17). This ‘defence’ referred to a perception of Thatcherite policies as: focused on the economy of the south-east of the UK at the expense of the north; and, based on new public management and a reduction of the public sector and the welfare state (a traditional source of UK-wide national identity). Particular policies – such as the ‘poll tax’ – became symbols of UK centralisation and top-down policy imposition (Cairney and McGarvey, 2013: 23-4).

Conservative Party rule contributed to rising levels of Scottish national identity (for example, in surveys asking people to choose between Scottish and British identities, 56% chose Scottish in 1979 and 72% in 1997 – Cairney and McGarvey, 2013: 251). It prompted a new elite-led campaign for devolution, the Scottish Constitutional Convention (SCC), in 1988. The SCC was an umbrella alliance of ‘civil society’ groups (including labour unions, church groups and charities), local government bodies and some political parties (primarily Labour, Liberal Democrat, Green), set up to promote the establishment of a Scottish Parliament (SCC, 1995). Its work informed the referendum process which followed the election of the Labour Party in 1997.

In Scotland, the platform of the Scottish Parliament has allowed a nationalist party (the SNP) the chance to form a government. It formed a minority government in 2007 and majority in 2011. The regionalism agenda continues, with greater powers devolved by the UK Government in the Scotland Act 2012 and a planned independence referendum – made possible by the SNP’s legislative majority and the UK Government’s cooperation - in 2014 (McLean et al, 2013). However, most opinion polls suggest that independence is unlikely.iii

In Wales, a Yes vote (63.5%) in the 2011 referendum paved the way for a stronger legislative role for its National Assembly, although its powers do not match those of the Scottish Parliament (Wyn Jones and Scully, 2012). In Northern Ireland, significant tensions between major unionist and nationalist actors produce great variation in popular support for a constitutional settlement (Horgan and Gray, 2012). Of more relevance is the English experience, in which the economic regeneration argument was made strongly by central government and English regional assemblies were introduced to oversee the work of regional development agencies and bring together regional-level union and business groups. The project began to fail after the government’s proposal of an elected assembly for the North East was rejected strongly in 2004 (the NE was the most likely to favour devolution). Now, the Conservative-led government (elected in 2010) has decided to disband the English regions (Sandford, 2013; Ayres and Stafford, 2012).

This comparison may prompt policymakers in Japan to reflect on the importance of popular support for regionalism and the ways in which it might develop regional demand in the absence of regional identity. In Japan, it is rare for party politics to cause political tension between the centre and periphery. The LDP has been in power since 1955, except for 1993-
1994 and 2009-2012, and there is no real equivalent to different regions voting for a different party. Governors supported by the opposition party have rarely been elected. Japanese local areas may have some distinctive characteristics in terms of geography and culture, but few help shape a regional identity (Okinawa is the exception). The LDP government has not reinforced any possible ‘democratic deficit’ or regional identity by appearing to impose policies on localities. Consequently, most people might be satisfied with a modified local government structure which has the possibility to improve local democracy.

2. Regionalism and Economic Aims

Policymakers may want to know if regionalism will help deliver their economic aims - which may require the development of meaningful networks between government and economic organisations. For example, ‘Scottish Policy Style’ refers to the Scottish Government’s ability to coordinate policies, to promote social and economic development, in a distinctive way (Keating, 2005; 2010). This was apparent to some extent before 1999. Scotland has long had its own institutions, including legal and education systems, and has enjoyed significant administrative devolution. The Scottish Office, a territorial UK Government department, was established to provide some public services in 1885 and it developed markedly in the postwar period, in line with the expansion of the UK welfare state. In some areas, the Scottish Office and Scottish interest groups formed close, often consensual, relationships (Keating and Midwinter, 1983, Midwinter et.al., 1991).

The Scottish Government has its own ministries which contain UK civil servants serving Scottish Government ministers. It is scrutinised by an elected Scottish Parliament (Cairney, 2011: 56). It has responsibility for areas such as health, education, housing, criminal justice and local government. It has formed its own networks to consult with interest groups, professions and other branches of government (‘territorial policy communities’ – Keating et al, 2009). In economic development, it oversees the work of the economic development body Scottish Enterprise (with a budget of around £200m per year), and has some tax raising responsibilities - but in the context of UK government control over macroeconomic and monetary policy.

The Scottish Government has pursued a distinctive governing style, often basing policy implementation on trust and local discretion, partly because senior policymakers have the ability to form personal networks with public service leaders (Cairney, 2008; 2009). Compared to the UK, it relies less on remote performance measures and targets backed up by punishments for non-compliance (Cairney, 2011: 184). Greer and Jarman (2008) identify two different Scottish and British styles from 1999-2007: the UK Government style was ‘top down’ (based on its ‘low trust in providers’); and, it used market mechanisms reinforced by many targets reinforced by stringent audit (2008: 172-3). They note that it: encouraged different types of schools (relatively independent of local authority control) to compete with each other by using pupil testing to build up league tables of performance; introduced tuition fees to allow Universities to compete with each other for students; set strong centrally-driven targets for local authorities and used an audit/ inspection regime to make sure that they were
met; and, drove health policy by setting targets on aims such as reducing waiting times for treatment (backed by strong punishments for non-compliance) and encouraging hospitals to compete with each other for business (2008: 173-8). In contrast, the Scottish Government formed relationships with its policy partners, based more on ‘a high degree of trust in the professionalism of providers’ and with less emphasis on competition (Greer and Jarman, 2008: 178). For example, it: oversaw a ‘comprehensive’ schooling system (relatively subject to local authority control) and reduced competition-based pupil testing; rejected tuition fees to Scottish students; set fewer targets for local authorities (or used fewer punitive measures); and, set healthcare targets but without competition within health service markets or a punitive regime (2008: 178-83).

There is similar evidence of policymaking devolution in Wales, but in the context of fewer powers and greater integration with England (Cairney, 2008; 2009; Keating et al, 2009). For example, there is a more porous boundary – a steadier stream of people, goods and services between the Wales/ England border and a shorter history of Welsh policymaking institutions. The situation is different again in Northern Ireland, yet to enjoy the sustained period of devolution and political stability necessary to develop new policymaking procedures.

The devolved experience could inform Japanese regionalism. Currently, the structure of the Japanese system has been characterised by centralised relations with local government. It features an accumulation of functional policy communities, at the central level, which generally deliver uniform public policies across the country. The UK experience suggests that it is possible to move towards a system in which territorial governments take on greater responsibilities and develop their own institutions, networks and policy styles – but it takes considerable time for those arrangements to ‘mature’. Indeed, a key feature of the first five to ten years of Scottish devolution is the gap between devolution supporter’s expectations - that devolution would improve the quality of politics and public policies - and their perception of the impact of devolution (Mitchell, 2004). This may be a useful corrective to the idea, expressed by some actors in Japan, that doshu-sei can be a rapid solution to an urgent problem.

3. Intergovernmental Relations and Policy Learning

Policymakers may want to know if regions can cooperate with each other, and the central government, to coordinate policymaking in some areas, and to share lessons when they innovate. Japan’s central government may want to retain the ability to regulate the extent to which regions compete, rather than cooperate, with each other when they devolve tax and spending powers (although, again, the UK’s economic experience is limited).

Since devolution, intergovernmental relations (IGR), between the UK and devolved governments, have generally been smooth. IGR has largely been informal, quiet and between executives rather than formal and in the public and parliamentary eye. For example, the UK and Scottish governments have sought ways to cooperate for mutual gain in the same way that governments form relationships with interest groups. Crucially, they have maintained the ‘Barnett formula’ used by the Treasury to produce automatic changes to devolved
government budgets and reduce the need for regular negotiations. They have done so partly by portraying devolved public expenditure as a ‘technical’ issue that need only involve experts (Cairney and McGarvey, 2013: 219). They have minimised the use of formal mechanisms such as joint ministerial committees, avoided using the courts to resolve disputes, and the Scottish Parliament regularly passes legislative consent (‘Sewel’) motions to give the UK Government permission to legislate its behalf (Cairney, 2011: 85-94; 2012). The SNP Government from 2007 produced some change, but also proved remarkably willing to exploit, out of the public spotlight, many of the same channels of influence (Cairney, 2012b: 237). It also accepted a ‘Whitehall’ civil servant, Sir Peter Housden, as its new Permanent Secretary in 2010.

The election of a Conservative-led UK Government in 2010 did not produce an antagonistic relationship either. The main exception is the independence referendum, which has exposed major ideological differences between the SNP-led Scottish Government (seeking an independent Scottish state) and Conservative-led UK Government (seeking to maintain the UK Union). However, much of their interaction has been devoted to agreeing the ‘rules of the game’ (including the referendum question) rather than engaging in public arguments. These arguments are generally left to the political parties within Scotland.

The experience in Wales and Northern Ireland is not quite the same. The Welsh Government often criticises the Barnett formula as a system that maintains Scottish advantage and Welsh disadvantage (Birrell, 2012: 28; 38). Northern Ireland has been subject to long periods of direct UK Government rule (including from 2002-7). Still, in both cases, formal IGR mechanisms are generally not used (2012: 234-5).

Having an informal relationship does not suggest that governments are working closely together. Instead, the ‘smooth’ relationship largely results from a lack of engagement between governments. This is aided partly by the tendency of the UK Government to devolve a basket of responsibilities (in areas such as health, education and local government) and intervene as little as possible (unlike in policy areas in Japan where central and local governments have dual responsibility).

Consequently, there is limited evidence of regular cooperation leading to policy learning between the devolved and UK governments – but there are still many policy similarities. Keating et al (2012: 291) describe a series of categories:

- **Concurrent policies in which there is limited divergence between UK and devolved government policy.** This may result from factors such as: common policy conditions (‘a common market, common security area and welfare state’); entangled UK and devolved policy commitments which limit devolved government innovation; the harmonizing role of the EU; similar public opinion; a shared party of government with similar ideas; and, similar lobbying from interest groups. A lack of funding or other resources for policy innovation may also encourage devolved governments to emulate the UK as a ‘default position’ (2012: 291-2; Cairney and McGarvey, 2013: 175-6).
• **Coercive Transfers and Policy Constraints.** From 1999-2007, some policy convergence may have followed pressure from the UK Labour party on Scottish and Welsh Labour-led governments (although Welsh First Minister Rhodri Morgan was relatively assertive), and UK Government policy in Northern Ireland during the suspension of devolution. It does not occur directly through spending since the Treasury controls the majority of the devolved budget, not how they use it (although Treasury rules on borrowing for capital projects have generally produced similar policies on the provision of new schools, hospitals, roads and houses).

• **Externalities.** There are important ‘spillovers’ from UK Government policies for England (particularly in Wales). For example, the introduction of tuition fees for higher education students (now £9000 per year), and a consequent reduction in devolved funding for higher education, prompted devolved government responses (Scotland charges only ‘rest of UK’ students; Wales and Northern Ireland charge domestic students a reduced fee).

• **Policy Competition.** Keating et al (2012: 296-7) argue that, although we might associate regionalism with a ‘race to the bottom’ - a term associated with globalization, describing counties which reduce taxes (and, therefore, the welfare state) and regulation to encourage foreign direct investment – UK devolution sometimes produces a ‘race to the top’. The Scottish and Welsh Governments are more likely to protect the post-war legacy of the UK welfare state and maintain ‘universal’ services in areas such as personal care for older people and healthcare prescriptions. UK Government policy has become more associated with new public management and efficient public service performance – often producing calls for devolved services to ‘keep up’. For example, its focus on healthcare waiting times put pressure on the Scottish and Welsh governments to perform as well by such measures.

• **Territorial Policy Communities.** These spillover and competition pressures are less apparent in areas which are clearly different (such as compulsory education, in which there are four different systems) or enjoy fewer direct comparisons (such as mental health) (Keating et al, 2012: 292-6). The devolved territories develop their own networks with interest and professional groups and UK activity may not be as important a reference point. The longer term and less visible process of implementation may also help produce greater divergence in practice.

In this context, policy learning – the ‘voluntary adoption and adaptation of ideas from elsewhere’ – is a relatively small part of the picture (2012: 303). There is very little learning by the UK ‘centre’ about the devolved experience. In the small number of cases of the UK following the devolved lead (such the Scottish Government ban on smoking in public places), it has faced other pressures to change policy. Learning between the devolved governments has also been limited to examples such as Wales’ export of its Children’s Commissioner to Scotland and Older People’s Commissioner to Northern Ireland. Scotland and Northern Ireland also ‘followed Wales’ lead’ by phasing out charges for healthcare prescriptions (2012: 304). Each government appears more likely to learn from other countries. The UK
often looks to the US, and the devolved governments to New Zealand and the Nordic countries (2012: 304).

**Conclusion**

Our comparison of the UK and Japan identifies major differences in their politics and policymaking. These differences should be borne in mind when policymakers in Japan seek to learn lessons from the UK’s regionalism policy. The main difference is in their reasons for pursuing regionalism. In the UK, devolution to Scotland and Wales reflects an attempt by the centre to address growing demands for self-government. In Northern Ireland, it reflects a compromise between unionist and nationalist actors. Only in the English regions can we see a clear economic frame of reference (combined with a democratic agenda). While the democratic driver prompted major constitutional change in the devolved nations, the economic frame did not help sustain support in the English regions. In Japan, it is difficult to identify equivalent levels of regional identity and popular support for regionalism. The economic driver is much more significant. Regionalism is often presented as a way to promote more effective economic development and to reduce the size of the state and public debt. In that context, the UK experience has limited information to offer. Instead, it can offer negative lessons about the inability of an economic frame alone to provide sustained support for regionalism.

More relevant lessons can be found when we identify the likelihood of asymmetry in Japan. The UK has extensive experience of asymmetric regionalism, with varying levels of support for devolution translating to different arrangements in Scotland, Wales, Northern Ireland and the English regions. The most sustained and significant level of devolution can be found in Scotland. Its experience demonstrates that policymaking can be directed, and meaningful networks formed, at the regional level. The Scottish Government has developed its own policymaking style which often seems to benefit from its size and the ability of policymakers to develop relatively personal networks with actors such as interest groups and bodies such as local authorities and quangos which implement (and seek to influence) policy. It has also developed meaningful relationships with business groups, albeit in the context of an economic policy reserved to the UK. However, this style has taken some time to develop – it is not a quick fix to an immediate economic crisis.

The UK experience also shows that the centre can maintain smooth relationships with devolved governments. Their interactions almost never produce a need to engage in formal dispute resolution. However, part of the explanation is that the UK centre has largely disengaged from devolved policymaking (a situation aided by its devolution of discrete policy areas – such as health and education - with relatively low levels of overlap in central/devolved responsibilities). There is considerable evidence of policy divergence (or, at least, similarities) but largely because each government understands and seeks to address policy problems in similar ways, or because UK policy for England puts pressure on the devolved governments to respond. Meaningful learning and transfer between regions, or from regions to the centre, is unusual.

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Overall, our analysis demonstrates the need to be clear about how and why one country can learn from the experience of another. It is not enough to transfer programmes. One must understand how and why policy was made in one country to understand if that process can be replicated in another successfully, or if it can only take broad inspiration.

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1 For example, Yamazaki was funded from 2002 by the International House of Japan and from 2003 by the Ministry of Education, Culture, Sports, Science and Technology to live in Scotland for two years to study its local government. Cairney has been invited and funded to visit Hokkaido three times (2004, 2011, 2013) to discuss Scottish political developments and, in 2013, was invited to explain UK regionalism to the National Diet of Japan (the elected upper and lower houses of Parliament). Professors Grant Jordan (2004, 2006, 2007 and 2011) and Michael Keating (2001) have also been funded to visit Hokkaido to give lectures on related themes.

2 This is particularly important when the reasons to learn from a particular country relate more to practical issues than a belief that both countries share a high number of political system features. For example, Japan’s system of local government was based initially on features of the German system and became more like the French system over time. Yet, policymakers in Japan may focus on the UK because it has engaged in more policy innovation and because its lessons can be communicated in English (as Japan’s second language; there is less capacity to make informed judgements about policy in France or communicate regularly in French).

3 They are tracked systematically by John Curtice and colleagues at http://whatscotlandthinks.org/