

Does Inter-municipal Cooperation Lead to Municipal Amalgamation? Evidence from Japanese Municipal Referenda*

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Abstract

Are citizens more likely to vote for the approval of municipal amalgamation in municipal referenda when their municipalities are conducting joint public works with neighboring municipalities? Joint works might deepen mutual understanding between the citizens of municipalities in cooperation, and hence, persuade them to approve of their amalgamation. On the contrary, the greater the number of joint works already executed between neighboring municipalities, the lesser the number of public services that citizens feel could possibly be made more efficient through amalgamation, and hence feel a weaker necessity for amalgamation.

This paper presents an empirical analysis of this question using the data from inter-municipal cooperation in the provision of public services, as well as from municipal referenda on amalgamation in Japan. Most of the previous studies use the data on whether neighboring municipalities resulted in amalgamation or not, but such data do not tell us how strongly each municipality sought amalgamation. In particular, when a municipality did not result in amalgamation with its neighboring municipality, we do not know whether the municipality itself declined, or whether it tried amalgamation but the neighboring one declined. Our data on referendum outcomes enable us to know the percentage of citizens in each municipality that supported amalgamation. The number of joint works being conducted with neighboring municipalities is also sufficiently different among Japanese municipalities, which is advantageous for conducting empirical analyses.

Our empirical results indicate that the more intensively municipalities provide joint public services with neighbors, the more the citizens vote against their amalgamation: citizens hope to keep their independence if the joint provision of their public services with neighbor municipalities is working well. Although local governments often regard inter-municipal cooperation as a first step to municipal amalgamation, our empirical results show that inter-municipal cooperation tends to favor the independence of municipalities.

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