

**The problem of the Governmentalized Commons:
The importance of Legitimizing and supporting Self-governance for the
transition from decentralized management to localized governance**

Onnuri Kim
Graduate School of Public Policy
The University of Tokyo
earthnuri@gmail.com

Keywords: Governmentalized Commons, Common-Pool Resource (CPR) systems, Decentralization, Self-governance, Zaisan-ku (財産区)

Abstract

Through the case of Zaisan-ku (財産区) system in Japan, this paper discusses the problem of the governmentalized commons illustrating why it is difficult for such commons systems to sustain and develop as long enduring Common-pool Resource systems do. In this paper, a very broad concept of the commons is employed on purpose to include non-natural resources which happen to have CPR systems as its governing regime.

By analyzing the two cases, the paper argues that both systems function as the governmentalized commons through administrative decentralization and the enlargement of governance regime size (municipal mergers). Based on the analysis, the author states that, despite the systems' appeal as a sort of commons system, the governmentalized commons system actually hinders the establishment and development as it do not allow self governance, lack supporting systems for individual CPR systems, and can bring commercialization of the commons. Considering that 'self-governance' is the prerequisite condition and 'nested system' is one of the necessary institutional conditions of long enduring CPR systems proposed by E. Ostrom, such aspects of the governmentalized commons system cannot function as sustainable CPR systems.

The public policy implications of this governmentalized commons problem concern legitimizing and supporting self-governance of communities and the commons. To address the problem and promote CPR systems, policy makers have to consider a comprehensive decentralization through the political structure reform, the legitimization of community self-governance and the commons rights. The UK government's recent decentralization reform including the introduction of the community rights is described as a reference point.

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Introduction

In recent decades, common-pool resource (CPR) systems have been suggested as an effective institution to manage resources. By definition, a common-pool resource (CPR) system is a resource management system for common resources from which it is undesirable to “exclude potential beneficiaries” from benefiting from its utilization (Ostrom, 1990, p 30) due to the resource systems’ *impact* on and *relationship* with the potential beneficiaries. Such characteristic of CPR is shared with public goods (Ostrom, 2005, p. 80). In other words, CPR systems are collective resource *stocks* that have a critical impact and influence on individual agents embedded in the resource systems. This implicates that every society can benefit from careful application of the governance of CPR systems as every society is dependent on resource stocks for accomplishment of its welfare and progress.

Although the utility efficiency and the structure of resource flow may vary from one to another, every society sustains itself and develops through the use of the resource flows or the mechanism of social and ecological metabolism (Marx, 1976). In general, such localized governance system produces positive impacts in utilization and allocation of resources as local units are conditioned to be more sensitive and responsive to the needs and demands of local communities (Tiebout, 1956; Oates, 1972; Qian & Weingast, 1997; UNDP, 2000). In the light of such benefits of localized system, the importance and rationale of localized natural resource management is supported by increasing number of scholars (Ostrom, 1990; Bromley et al eds, 1992; Agrawal, 2001; Dosak & Ostrom eds., 2003; Mitsumata, Suga & Inoue eds., 2010 to name only few).

Expanding the concept of CPRs beyond commonly mentioned natural resources, the paper perceives self-governing CPR systems as a critical governing mechanism applicable to governance in general. Also expanding the conventional use of the concept of governance in the commons literature, the paper intend to focus on macro-level governance having individual CPR systems as its nested sub-systems

instead of focusing on micro-level governance of individual CPR systems.

The Importance of Having a Big Picture – Polity system structure

Many researchers in the field of commons tend to focus on politics or policy through detailed descriptive illustration of specific CPR cases. In such approach, serious discussion for macro scale institutional arrangement or system structure can be missing or insufficiently touched upon. The internal institutional conditions required for sustainable CPR systems are already analyzed by Ostrom in her seminal book *Governing the Commons* (1990). In the last chapter of the book, she rightly acknowledges the challenge and importance of adoptability of individual agents in a CPR system (1990), and in more recent work, she goes further to describe the lack of large-scale supportive institutions as one of the threats to self-governing CPR systems (2005, p. 278). Nevertheless, the discussion does not include the matter of polity system structure in a broad sense. The example she uses for a large-scale supportive institutions is the U.S. Geological Survey which is a single institutional entity rather than macro level institutional arrangement or system structure.

Without a doubt, analyzing the characteristics of successful or unsuccessful individual cases provides us not only a hopeful sense but also informative lessons on how to sustain and develop more successful commons. The merits are undoubtedly clear. However, it is *also* important to remind ourselves that such successful cases are not the majority story. Today's challenges faced with local CPR systems are of multi-level due to the "increased interconnectedness" among natural environment and human institutions of different scales (Dolsak & Ostrom, 2003, p 338). Furthermore, in modern era, most of human society is under the governance of a nation state which boasts the authority and legitimacy on the allocation of access or rights to resources which have been previously under the realm of the commons. These two factors inevitably make CPR systems of today a part of larger systems, asking for a greater attention to the last design principle of sustainable CPR systems - "nested enterprises" (for detailed explanation, look Ostrom, 1990, p. 90).

Moreover, regarding adaptability, which is emphasized as a critical strategy for enduring CPR systems in Ostrom's recent works, if both immediate and surrounding systems' structures are transformed and when the transformation hinders individual agents from keeping their commitment to the CPR system, adaptability of individual agents loses its power and *raison d'être*. In other words, CPR systems cannot be sustained with mere micro-level institutional arrangements in this interconnected society. Hence, it is inevitable to discuss *what can be done with the macro-level institutional arrangement and system structure* in order to create a polity system which can foster and sustain self-governing CPR systems through multi-layered nested systems.

Research Question

Considering the importance of multi-layered nested systems in nurturing CPR

systems in today's interconnected society, this paper aims to investigate the impact of macro scale system on a system called *Zaisan-ku* (財産区) which is intended to assist or even replace traditional CPR systems – community *Iriai* (入会) systems. Also, this study attempts to analyze the roles of local commons management system prescribed by the state government as the state's governmental tool and its impacts on local common resource governance. So the central research question would be

“What is the de facto function of *Zaisan-ku* system as a governmental tool in natural resource governance?”

“What is the impact of *Zaisan-ku* system in relation with CPR systems? Does *Zaisan-ku* system really serve as a local commons system or CPR system as some scholars argue?”

“What is needed to sustain and promote CPR systems amid of increasing interconnectivity and complexity?”

Method and Procedure

In an attempt to answer the question, the paper uses two different categories in regard with decentralization. One is administrative decentralization - the governing technology for the big scaled governance system, and the other is comprehensive decentralization - the governing technology for small scaled localized governance system. Based on this framework, the paper carries out a secondary and tertiary literature/data analysis examining the specific cases of *Zaisan-ku* in Japan and concludes that the system is an administratively decentralized natural resource management and thus the decentralization technology for a big-scaled governance regime. In the discussion, the paper introduces a new term - *governmentalized commons* to depict the creation of governmental subjectivity in commons or CPRs and argues that this governmentalization of commons has a negative impact on CPR systems. To achieve some degree of depth with limited time and pages, the paper does not dare to further its scope of investigation to the decentralization technology for small scale governance regime in detail (devolution or democratic decentralization). Yet, it provides a brief explanation on the recent examples of it – the case of UK and India. An important presumption is that self-governing CPR systems is the way to achieve sustainable governance of resources as commons scholars argue. Based on this presumption, the paper's argument is built.

***Zaisan-ku* - Its creation and the Status quo**

Since start of the Meiji era, the Japanese government implemented laws and policies that enabled centralized nation-state governance; land-tax reform policies through land registration and categorization (1876-1881), introduction of municipal system (1889), Unification of common land (部落有林野) Policy (1910-1939),

Modernization of common land Policy (1966-present) (Saito & Mitsumata, 2010 in Mitsumata, Suga & Inoue eds, 2010). Due to the imposition of these big changes, a great number of farmers resisted against the new system (Watanabe eds., 1974; Saito & Mitsumata, 2010).

From farmers' point of view, their resistance was legitimate attempt to protect their access to and self-governing authority on the village commons, the very source of their livelihoods. It is important to notice that the enfeebling process included not only taking the common resources away putting them into the realm of private or state property, but also disabling communities as governing bodies of their CPRs. This means that the series of modern technology of the centralized nation-state government alienated the commoners from both the economic and the political realm of the commons.

Strong responses from farmers alarmed the state government so that it had to come up with some sort of compromise to calm down the anger spurred by the new system (Saito & Mitsumata, 2010) and the resulted policy was *Zaisan-ku* system. In 1889, the system was introduced along with the introduction of municipal system (Izumi, Saito, Asai & Yamashita, 2011). Today, 3,710 *Zaisan-ku* areas exist in 442 different municipalities (24.2 percent of the entire municipalities) taking up 1.46 percent of the land (Izumi, Saito, Asai & Yamashita, 2011, p. 61, 86).

According to its operational style, the majority of *Zaisan-ku* can be divided into two kinds, one with a governing assembly (議会制財産区) and the other with a management board (管理会制財産区) (Mitsumata, 2004). If the head of prefectural government recognizes the necessity, members of a *Zaisan-ku* can have a governing assembly to self-govern their CPR systems (Izumi, Saito, Asai & Yamashita, 2011). Also, while no tax is levied on revenues from *Zaisan-ku*, it is required to spend the revenues for public purpose only (Saito & Mitsumata, 2010).

***Zaisan-ku* areas in Esasi city (江刺市) and Koka town (甲賀町)**

Mitsumata's case study on *Zaisan-ku* areas in Esasi city (江刺市) and Koka town (甲賀町) may give some contextual understanding on today's *Zaisan-ku* system. Esasi city has 5 *Zaisan-ku* areas which were all originally initiated as governing assembly in 1955 (2004). Currently, only one *Zaisan-ku* (伊手 財産区) is remained as governing assembly, and the only remaining governing assembly of *Zaisan-ku* is, in fact, consists of 8 assembly members only instead of all community members (Mitsumata, 2004). Furthermore, its' current operation is de facto managed by the forest management department of the local municipal government.

In Koka town, on the other hand, one *Zaisan-ku* called *Ohara Zaisan-ku* (大原財産区) shows high involvement of community members in management activities and financial stability thanks to the community's continued history of CPR governance and the high market price of Koka Japanese cypress grown in the region. Naturally, the *Zaisan-ku* maintains a relatively independent position despite the fact that it is operated with a management board not governing assembly.

Discussion

Zaisan-ku system and an administrative decentralization technology of a big-scaled governing regime for *Governmentalizing Commons*

Some researchers (like Izumi, Saito, Asai & Yamashita) who insist that the majority of *Zaisan-ku* is as local commons as they are commonly owned property of communities (Izumi, Saito, Asai & Yamashita, 2011, p. 83). However, in fact, *Zaisan-ku* system is functioning as a mean for governmentalizing commons through administrative decentralization without self-governing CPR systems to govern common resources. More detailed explanation on the the case of *Ohara Zaisan-ku* in Koka city and recent changes surrounding the *Zaisan-ku* may illustrate this point. Although *Ohara Zaisan-ku* seems to enjoy some greater domain of power within its designated area compared to other *Zaisan-ku*s, such *Zaisan-ku* can be rarely found as Mitsumata admits (2004, p115). The number of its entire members is 50, which is exceptionally large compared to the average 15.5 of the other *Zaisan-ku* areas in the region (calculated based on Ordinance No. 20 of Koka city statutes). Moreover, since 2004 some important changes have taken place. In 2004, Koka town got merged into Koka city in the process of the great Heisei mergers of municipalities (平成の大合併), and consequently new municipal bylaws on *Zaisan-ku* were made in 2006. The new bylaws clearly state that the managing authority (not governing) of *Zaisan-ku* is *the* power delegated (“委任”) from the municipal government to the community (Ordinance regulation No. 27 of Koka city statutes) implicating the system is rooted in deconcentration or delegation rather than decentralization.

Also, it is stated that it is necessary to obtain an “agreement” from each *Zaisan-ku*'s management board to implement decisions relevant to *Zaisan-ku* ranging from financial plan, the use of revenues, to establishing/disestablishing the relationship between *Zaisan-ku* and its members (Ordinance No. 20). This is to say that, at least by its design, the decision making responsibility and power regarding *Zaisan-ku*'s is with the municipal government and the function of each management board is to passively accept or refuse its decisions. Here, no governing authority exists. What is given to each *Zaisan-ku* is merely the choice to say no or yes to decisions already made. Such tendency of the local government to consider *Zaisan-ku* as its *property* rather than commons may be resonated by the fact that the *Zaisan-ku* system is under the responsibility of government property administration related department in many municipalities (Izumi, Saito, Asai & Yamashita, 2011, p. 78).

Hence, it is difficult to say that *Zaisan-ku* is really representing the community as a governing unit of the community owned natural resources. In practice, *Zaisan-ku* is functioning as a local branch of the municipal government built inside community rather than a resource governing body of communities. This point would be illustrated in the following discussion on decentralization and devolution.

Decentralization

To understand why *Zaisan-ku* system does not help local communities govern their own commons even as a decentralized resource management system, we need a proper clarification on the concept called decentralization. Although 'decentralization' is increasingly mentioned in the literature on natural resource governance, it is used alternatively to 'devolution' in an inattentive manner. In a similarly relentless manner (if not worse), states also have used the term with the increasing emphasis on improving governance. *Zaisan-ku* is also created as a part of this "decentralization" process through the local autonomy law. However, based on its actual legal identity and administrative rules, it is not appropriate to sort *Zaisan-ku* as a decentralization technology.

Rather it should be considered as a *deconcentration* technology which ended up creating some centralizing effects under the big scaled (centralized) governing regime. As to understanding why *Zaisan-ku* system is a deconcentration technology, it is important to understand what is decentralization and devolution, and how they are different from what is claimed as decentralization by states and even by some imprudent researchers.

In principle, devolution involves power and duty transfer in three aspects – political decision making, economic & financial management, and administrative and service delivery (UNDP, 1997). In this sense, devolution refers to localization of governing regime for greater political power and responsibility of the local citizens in decision making process. Both federation system and a group autonomous governing regimes under a unitary system (i.e. UK) can be seen as devolved polity system.

However, in natural resource governance, the term 'decentralization' is used to refer to administrative or managerial decentralization which is "expansion of the array of institutions and organizations carrying out collective public sector tasks" (Cohen & Peterson, 1999, p. 19). To be more specific, administrative decentralization is a specific type of decentralization called *deconcentration* (other two types being fiscal decentralization, and democratic decentralization) (Manor, 1999).

Deconcentration or administrative decentralization creates local administrative agents mainly upwardly accountable (1999). Although, these local administration bodies may have some downward accountability, their core responsibility is to central governing body and the scope of their authority or power is controlled by state level administrative agencies such as supervising ministries (Manor 1999; Agrawal and Ribot 1999; Ribot, 2000). Due to this primarily upward accountability, deconcentration is considered as "weak form decentralization" (Ribot, 2000, p. 2). Such deconcentration end up reinforcing centralization as it strengthens "the leverage of those at the apex of the system" (Manor, 1999, p. 5).

In the case of *Zaisan-ku* system, “decentralization” of natural resource governance (including land) through the system may have been intended but it came to be the mixture of deconcentration and delegation which make the system make local governance units as sub-ordinate lower-level units and semi-autonomous lower-level units (UNDP, 1997). The absence of political decentralization (devolution) makes comprehensive decentralization of governance. The fact that *Zaisan-ku* system has been spread in increasing number of municipalities through three municipality mergers (through the Meiji, Showa, and Heisei eras) illustrates this point as well. Municipality mergers are different from other policies as it is basically the state driven enlargement of local administration units having an impact on the whole polity system structure. As *Zaisan-ku* system was coupled with such deconcentration policies for structuring centralized polity system, it naturally came to serve as administrative decentralization technology.

The administrative decentralization gives local communities the authority to manage and the comprehensive decentralization gives them the authority to self-govern as CPR systems. While management is of operational aspect aiming the continuation of the management itself, governance is a broader concept which deals with natural, social and political layers of communities with a purpose to provide public goods necessary in realizing their shared vision – development. Motivation for members to cooperate and commit in the long term, and thus the capacity of each system to adapt and evolve shall be quite different in these two different realms. Naturally, one would expect that a self-governing institution would be more sustainable and adaptive as a system compared to a management institution which is governed by an external system. The more the external system is far from the loci, the more effective governance becomes and the more easy it becomes to result in control rather than governance. This implicates that *Zaisan-ku* institution coupled with the three municipal mergers can hinder CPR systems to be sustained by putting CPR resources under the realm of the municipal or national governments which are external to each CPR system. This process deprives self-governing authority and eventually capacity of CPR systems.

Governmentalized Commons – Paradox in Administration

In the process of municipality merges since the Meiji era, community resources or properties have been dissolved into either public or private property realm and the same pattern of CPR deterioration continues today (Mitsumata, 2006). Consequently, the role of *Zaisan-ku* as a deconcentrating and delegating tool of CPRs of a big scaled government regime has been strengthened through a series of municipal mergers.

In the case of Koka town mentioned before, after its merger into Koka city, an interesting new bylaw was made regarding so called “contract” between two *Zaisan-kus* in the newly made Koka city and the enlarged municipal government in 2007 - the Ordinance No. 28 (available from http://reiki.city.koka.lg.jp/reiki_int/reiki_taikei/r_taikei_15.html). It explicitly shows who *owns* and governs the two

*Zaisan-ku*s by specifying the types of natural resources which can be used by *Zaisan-ku* members, and the cases when they must make a report to the municipal government. Under the new “contract”, the *Zaisan-ku* members have to follow to (or cooperate with) the directions of municipal officers, members of the *Zaisan-ku* management board, or the district forest office (officers). Also, whenever they wish to collect natural resources from *Zaisan-ku*, they must bring the certificate of permission issued by the head of municipal government and show them when requested by municipal officers, members of the *Zaisan-ku* management board, or the district forest office (officers). The bylaw states that the purpose of this new contract is environmental conservation.

The series of changes taking place in *Zaisan-ku* areas in Koka town is in parallel with the story of village forests in Kumaon region in North India discussed in Agrawal’s book ‘Environmentality’ (2005). Both cases illustrate how the government makes local villages as governmentalized localities through decentralized regulatory rules over previously commonly governed natural resources. Focusing on the case of Kumaon region, Agrawal describes how the government of United Provinces (UP), the state government of India under British colonial rule, successfully made local communities as its governmental subjects. As the Japanese government of the Meiji era introduced *Zaisan-ku* as a tool to ease out the severe opposition from local farmers against its governmentalization process, the UP government introduced *van panchayats* (forest councils), in its early stages, which allowed local villagers to control the use of natural resources in village forests only ostensibly (p. 5). As the contact of two *Zaisan-ku* areas in Koka city did, *van panchayats* of Kumaon started to make some previously legal activities as inappropriate or illegal (p. 13) in the name of environmental conservation.

However, there are some critical differences between forest councils in India and *Zaisan-ku* in Japan. Forest councils later became a *governing localities* and with the redefined relationship between communities and the state government through the establishment of Panchayati Raj (village self-governance) Institutions through the 73rd constitutional Amendment in 1993 (Mathew & Mathew, 2003) which increased the loci of decision making process and inclusion of community members in the process. Along with the constitutionalized local governance system, new laws are also getting passed to secure the legal legitimacy of commons in states following the 2002 National Policy for Common Property Resource Lands. For instance, the state of Rajasthan made its Common Land Policy in 2010 (The Hindu Times, 2011) to bestow legal legitimacy to common lands and resources. Moreover, the reform required not only the Union government but also every state to establish the Ministry of Panchayati Raj (Government of India, 2007). This series of system reform and policies at both national level and state level function as a multi-layered nested system for CPR systems, the institutional condition for self governance of villages on local public goods and resources.

On the other hand, *Zaisan-ku* still remains as the *governmentalized commons* with increasingly weakening communities to assert governing authority over commons due to *inaction* of the government in providing the platform for

communities to strengthen its adaptability and capacity to self-govern. Hence, the administrative paradox - decentralized CPR management system undermining CPR governance system by local communities (*Iriai* 入会 system), can be observed from the case of *Zaisan-ku* system.

Legal mechanism of *Governmentalizing Commons* – Paradox in Law

Today, by the current local autonomy law of Japan, it is recognized as one of special municipal public organizations differentiated from general municipal public organizations which are basically administrative units of municipal governments (Saito & Mitsumata, 2010). However, by law, the executive authority of the *Zaisan-ku* system is the head of each municipal government (Izumi, Saito, Asai & Yamashita, 2011). This enigma causes the replacement of local governance of commons with the local management with upward accountabilities and dependency by hindering self-governing aspect of CPR systems and increasing its control over CPRs.

Also, from the perspective of constitution of Japan, paradox can be witnessed in regard with the *governmentalized* CPR systems. According to the legal rationality of the constitution of Japan, common resources of communities should be perceived as the common property based on *rights* (入会財産) instead of the property owned *Zaisan-ku* (Watanabe in Watanabe eds., 1979, p253), which is a sort of sub-ordinate organization of the municipal government. Watanabe Yozo, an authority on the research of commons (入会) and *Zaisan-ku*, asserts that the matter of commons has to be dealt in the realm of civil law (Watanabe in Watanabe eds., 1979). This is because only the civil law (the article 263 and 294) provides the legal legitimacy of rights to commons thus, the commons as well (the articles are available at E-gov Website of Ministry of Internal Affairs and Communications). The fact that the legal rationality of the constitution, civil law and that of local autonomy law (the article 294 on *Zaisan-ku*) are in contradiction, puts the whole Japanese legal regime's legal logic on local commons in inconsistency when it comes to local self-governance on resources.

Due to this inconsistency, in reality, numerous legal disputes over the identification of commons have been created (Takei in Yatanabe eds., 1979, Okamoto, 2010). Strictly speaking, if a common land is treated as *Zaisan-ku*, it is violation of property rights secured by civil law, and if *Zaisan-ku* is treated as a common land, it is violation of local autonomy law (Okamoto, 2010, p. 222) as local autonomy law prohibits establishment of *Zaisan-ku*'s own organization or institution in principle (Izumi, Saito, Asai & Yamashita, 2011, p. 46). More importantly, as a result of both governance and legal paradox, *Zaisan-ku* system, impedes self-governance of local communities regarding CPRs both at administrative and legal dimension. This is the critical problem with the system from the perspective of CPRs.

Clash of Intentions and rationalities – Problem with the system structure

This is not to say that the state and local governments are determined to block more comprehensive decentralization with intention. It is naïve to believe so as much as it is to believe that they are always well intended and working purely on behalf of the public. In a democratic society, it is rather laughable to assume the government as a monolithic monster. A more sophisticated and practical approach would be analyzing which department or agent within the state governing system has “*de facto* veto power” (Sato, 2011). Due to power dynamics within the governing system, intentions to decentralize may get overridden by other intentions which may and may not work against decentralization, and thus resulting in inaction.

It is noteworthy that the technology of deconcentration and delegation of a big government was not free from challenges. Some innovative efforts have been made such as the Nagano prefectural government’s initiation of the Commons Fund program and Commons Policy Team inside the prefectural bureaucracy as a bridging agent in 2004 (see Hashimoto, 2007 for further description). Yet, after the change of the administrative head, such efforts could not be sustained. So clashes of intentions can happen both for external and internal causes due to the problematic system structure. In the case of *Zaisan-ku* system, such clash is echoed in both administrative and legal paradox. Also, there is a clash of rationality as well. Often, economic and operational rationality override other kinds of rationality of long term basis such as sustainability rationality and collective rationality or substantive rationality in Weber’s words (Weber, 1978 - Roth & Wittch eds.). The case of Saku city (佐久市) illustrates how predominant economic and operational rationality within the governmental body can transform commons as not only governmentalized commons but also comodified one.

Saku city of Nagano Prefecture recently started to hold series of auctions to sell the rights to commons (入会権) to individual citizens and businesses. The *Zaisan-ku* areas on auction are the areas in Mt. Matsutake (松茸山) which is famous for Matsutake mushroom of high market value. When the economic value of becoming a *Zaisan-ku* member is apparent and the resource system boundary (*zaisan-ku*) does not match with governance system boundary (Saku city), giving the right to commons to the people through market mechanism makes the commons as commodity and disenables the commons system itself. This is because the market rationality and primary rationality of agents outside of the system boundary may clash with the system rationality of Mt. Matsutake.

Saku city is not the only municipality where the rights to use previous commons are being traded as commoditized service through auction. Currently, at least 3 more municipal governments (Kitakyusyu city in Fukuoka Prefecture, Kobe city in Hyogo Prefecture, Kazuno city in Akita Prefecture – check each municipalities website for details) are selling the rights to commons as per their *Zaisan-ku* areas. In these 3

municipalities also, not only individuals but also businesses can purchase the usage rights and *Zaisan-ku*s. In addition, they *can* use the revenue from *Zaisan-ku* resource usage for their own purpose instead of using for public good or common good. Under such condition, *Zaisan-ku* fails to maintain its “sort-of-commons” aspect even. Considering that the majority of municipal governments now have the ordinance allowing the sale of the rights to use resources in *Zaisan-ku* areas and *Zaisan-ku* themselves through auction, the number of municipality selling *Zaisan-ku* would increase along with the on-going municipal merger and weakening local communities due to aging process and declining population.

Original Iriai or CPR systems require spatial and system commitment from its members through the convergence of resource and governance system boundaries and such commitments are the key conditions for sustaining effective self-governance. As Meadow explains, system structure influences system behaviors which result in events (Meadows, 2008). In this sense, such problems of *Zaisan-ku* system are only symptoms of the problem with the whole polity system structure in relation with local resource governance.

System for Governance not Management

The problem is not with a specific policy or institution but with the whole polity system generating certain political relations and institutional framework. As discussed above, *Zaisan-ku* system, as a tool of administrative decentralization of a big scaled governance regime, allows the management only. This trait of *Zaisan-ku* system and other governmentalized commons systems makes them non-CPR system failing to satisfy the foremost prerequisite of a CPR system – self-governing, not to mention 8 designing principles. In comparison to the *Satoyama* (里山) or *Iriai* (入会) system which satisfied the prerequisite and 7 designing principles (look Ostrom, 1990, p. 180), *Zaisan-ku* system cannot fully clear even one principle as the system is not a self-governing system, but an imposed or delegated commons management system. Ostrom also points out the danger of having decentralized branches of central bureaucracy stating that having a begin and well-intentioned officials who are willing to shoulder the problem of CPR systems as their own problems, in fact, hinders local appropriators from creating or sustaining their own local institutions for self-governing (1990). It is supported by Manor’s analysis that deconcentration can end up reinforcing centralization (1999).

In this sense, the polity system reform allowing local communities to self-govern is desirable as the majority of commons scholarship support the importance of nested levels of governance besides appropriation, provision, enforcement (Agrawal, 2001, p 1659). This is not about a day dreaming story. Many states are actualizing such reforms the most notables being the government of U.K. and India. Besides, India’s efforts to decentralize governance (especially over commons), the U.K. is also making an example in creating more decentralized governance system. In 2008, the UK introduced the Planned Community Empowerment, Housing and Economic Regeneration Bill and a new Ministry for Decentralization (State for Communities and

Local Government of the UK, 2008). In the White Paper published, the UK government explicitly stresses that the foremost goal of the UK government in localizing governance is “to generate vibrant local democracy in every part of the country” (2008) enabling them to achieve self-governance. Also recently, it has introduced the Localism Act which allows communities more power and bigger roles on governing matters within the official polity system (Government of the UK, 2011). Contained in the Localism Act, the four Community Rights (The Right to Build, The Right to Challenge, The Right to Bid and Neighbourhood Planning) provides strong legitimacy for self-governance at community level.

These efforts are the way to achieve multi-layered nested systems for sustainable CPR systems. Thus, if the Japanese government hope to achieve real local self-governance (自治), it has to reform the current polity system which encourages de facto self-management system and creates both administrative and legal paradox through comprehensive localization or decentralization. As suggested in the cases of the U.K. and India, such reform for comprehensive decentralization can be carried out only through constitution-backed supporting system for multi-layered nested systems for *self governing* CPR systems and securing real governing power of communities – the governing unit of CPR systems.

Conclusion

This paper discussed the way big scaled governance regime (or centralized governance regime) controls CPR systems through governmentalized commons using the example of *Zaisan-ku* system in Japan. Through analysis of *Zaisan-ku* system in general and specific cases, the paper found out that *Zaisan-ku* system functions as a tool of administrative decentralization by *governmentalizing commons* which increases its control over CPRs. *Zaisan-ku* system has contributed in centralizing natural resource governance along with 3 municipal mergers. Moreover, the paper argued that *Zaisan-ku* institution disenables self-governance of CPR systems and thus weakening the systems as it poses the problem of administrative and legal paradoxes. Based on these points, the paper concluded that the polity system must undergo localization or comprehensive decentralization constitutionally ensuring the legal *legitimacy* of local village governing bodies and their CPR systems, and creating *supporting institutions* to achieve multi-layered nested systems necessary for self-governing CPR systems to be sustained. As the cases where such reform is taking place to enable self-governance of local communities, to the process of Panchayati Raj Institutions establishment in India and comprehensive decentralization reform in the UK were briefly mentioned.

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