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Empowering Bureaucracies in Municipal International Policies: Organizational Structures and Governance Transformation of Japanese Municipal Overseas Offices in Southeast Asia

Abstract

In today's globalized society, achieving balanced national development requires regional strategies that emphasize both domestic and international collaboration. Municipalities must attract foreign tourists, promote local product exports, and support SMEs' overseas expansion. These policies shifted from traditional administrative approaches to those demanding short-term results and practical benefits. This necessitates innovative policy formulation by entrepreneurial municipalities. This study explores the organizational and governance structures that strengthen local bureaucratic systems to effectively implement these international policies. The research methodology includes analyzing policy documents related to Japanese municipal international policies and conducting field interviews with 36 expatriates, primarily from Japanese municipal overseas offices in Singapore and Bangkok, between 2020 and 2023. The findings reveal that in the VUCA era, international municipal networks evolved from one-on-one sister-city relationships to multi-city networks focused on information sharing and project development. Additionally, the organizational structures of international policy-executing bodies increasingly involve partnerships with national agencies and collaborations between municipalities and private companies, including outsourcing certain tasks. Based on these insights, this study presents a developmental model that categorizes international municipal policies into three stages: Traditional Administration, New Public Management, and Network Governance. It also offers policy recommendations for leadership, policy evaluation, and human resource development to empower local bureaucracies.

Keywords:

bureaucracies; governance transformation; Japanese municipal

Introduction

In today's globalized world, balanced national development increasingly relies on regional

strategies that integrate both domestic and international collaboration. Municipalities play a crucial role in this process

by attracting foreign tourists, promoting local product exports, and supporting the international expansion of small and medium-sized enterprises (SMEs). These policies have evolved from traditional administrative approaches to those that demand short-term results and tangible benefits, thus necessitating innovative policy formulation by entrepreneurial municipalities.

Global economic fluctuations often directly impact regional economies. Previous studies have highlighted that in the context of global competition, the competitive advantage of nations and regions stems from the concentration of enterprises, research institutes, and supporting organizations (Porter, 1990, 1998; Maskell, 2001; Martin & Sunley, 2003). Over the years, scholars have increasingly focused on understanding the factors contributing to regional growth, with particular emphasis on the importance of partnerships between enterprises and organizations across regions (Amin & Thrift, 1992; Markusen, 1996; Humphrey & Schmitz, 2002; Wolfe & Gertler, 2004; Tripp et al., 2009; Eisingerich et al., 2010). Earlier discussions often centered on government-led regional development policy measures. For example, Fromhold-Eisebith and Eisebith (2005) and Dyba (2016) noted that top-down initiatives by public authorities that formalize cooperation are essential for ensuring regional economic competitiveness and innovation. However, in studies focusing on the contribution of exogenous factors, Tödtling and Trippel (2005) argue that policy methods such as subsidies and infrastructure improvements are insufficient to revitalize clusters in mature regions and industries. They emphasized that building new connections with knowledge suppliers and networks among companies is equally important. Boschma and Iammarino (2009) further suggest that extra-regional knowledge created by sectors different from those existing in a region can significantly contribute to its economic growth.

Prior research has often highlighted the significance of inter-regional collaborations in

exchanging tacit knowledge, such as technology and industry know-how, through face-to-face interactions, which can drive innovation in both regions (Storper & Venables, 2004). This raises the question of how public authorities facilitate the internationalization of regional firms (Jankowska & Götz, 2017). Furthermore, functional regional actors that facilitate the transfer of knowledge and information, referred to as the "global pipeline" (Bathelt et al., 2004) and "gatekeeper" (Rychen & Zimmermann, 2008), are indispensable. The global pipeline represents strategic partnerships between regions and nations, involving direct face-to-face transactions that enable deeper mutual understanding, exchange of views, and transfer of both coded and tacit knowledge (Bathelt et al., 2004). Regions with established pipelines can gather information more efficiently, thereby reducing transaction costs (Coase, 1988) and enabling companies to find business and research partners with greater ease. Rychen and Zimmermann (2008) argued that well-embedded gatekeepers support interconnections within a global network. These gatekeepers facilitate the integration of resources both inside and outside the region, assist local enterprises in benefiting from external relationships, and enable external organizations to access regional resources. Additionally, gatekeepers play a central role in linking regional actors within the region, leveraging geographical proximity for mutual benefits.

Kern & Bulkeley (2009) observed a recent increase in pragmatic "urban networks" or "transnational municipal networks," which serve as platforms for collaboration aimed at addressing urban challenges. In this context, municipalities are increasingly focusing on efficient project creation, often participating in international councils or city organizations designed to tackle specific issues, a trend aligned with the concepts of urban entrepreneurialism (Furlong, 2015) and smart city regionalism (Herrschel, 2013).

As globalization progresses, concerns regarding intercity networks have grown (Batten, 1995; Steger, 2009). Camagni and Salone (1993) argued that functionally specialized cities can reduce social costs and contribute to regional revitalization through the spatial division of labor, collaborative work, and shared resources. Koch (2015) supported this view, emphasizing the importance of city-regions' foreign policies in shaping relations between the European Union and Latin America and the Caribbean. Similarly, Izushi (2012) highlighted how municipalities in the United Kingdom have developed international strategies to attract direct investment, support local companies' international ventures, and foster international partnerships in R&D.

Research on local government operations and network governance has evolved significantly, providing comprehensive insights into the transition from traditional hierarchical structures to collaborative frameworks. Rhodes (1996) laid the foundation for understanding this shift by introducing the concept of network governance, which emphasizes self-organizing and interorganizational networks. He argued that these networks complement traditional markets and hierarchies in resource allocation and control, and are characterized by trust and mutual adjustment. Building on this foundation, Agranoff and McGuire (2003) examine how local governments have adopted collaborative public management as part of the broader network governance approach. They demonstrated that local governments no longer operate in isolation but are increasingly engaged in relationships with a wide range of public and private organizations. This shift necessitates new forms of collaboration and managerial strategies beyond the traditional bureaucratic processes. Bovaird (2005) further explored the complexities of public governance in a networked society by focusing on the balance of power among stakeholders within these networks. His work underscores the

importance of understanding dynamic power relationships in network governance, particularly in the context of local governments. Ansell and Gash (2008) contribute to this discourse by examining collaborative governance as a new paradigm that has emerged to replace adversarial and managerial modes of policymaking and implementation. Their research identified key factors that facilitate successful collaboration, such as face-to-face dialogue, trust-building, and the development of shared understanding.

Provan and Kenis (2008) provide a detailed analysis of different forms of network governance and examine the structural properties, management, and effectiveness of organizational networks. Their work highlights the inherent tensions within these governance structures and the critical role of management in navigating these tensions. Blanco et al. (2011) offered a conceptual clarification of policy networks and governance networks, addressing the tendency to conflate these distinct concepts. They developed a systematic distinction between the policy network theory and governance network theory, enabling a more nuanced understanding of network governance in policymaking. Skelcher and Smith (2015) expanded the theoretical framework of network governance by exploring the concept of hybridity in public and non-profit organizations. This work is particularly relevant to local governments, as they navigate the challenges of network governance in environments characterized by diverse normative frameworks.

Finally, Klijn and Koppenjan (2016) conducted a comprehensive study of governance networks in the public sector, focusing on the management of complexities within these networks. Their research highlights the cognitive, strategic, and institutional complexities inherent in these networks and the need for sophisticated coordination mechanisms to manage these challenges effectively. Together, these studies offer a robust theoretical and practical foundation to understand the evolution

and application of network governance in local government operations. They underscored the importance of collaboration, trust, and effective management in navigating the complexities of contemporary governance structures.

Despite extensive discussions on regional revitalization through intercity network collaborations, there remains a gap in research focusing on international municipal strategies from the perspective of regional development. Additionally, the mechanisms through which municipal governments interconnect resources across borders remain unclear. This study aims to address this gap by investigating the international policies of municipalities and the management of overseas municipal offices.

The central research question of this study is: What kinds of organizational and governance structures can strengthen local bureaucratic systems to effectively implement these international policies? How can municipalities, as regional institutions, intervene in globalizing regional development? To answer these questions, this study examined policy documents related to Japanese municipal international policies and conducted field interviews. The remainder of this paper is organized as follows. The next section details the research methodology and presents the results, followed by a discussion and concluding remarks.

Method

This study employs a comprehensive research methodology that includes the analysis of policy documents related to Japanese municipal international policies and field interviews with 36 expatriates from 19 organizations. These interviews were primarily conducted with personnel from Japanese municipal overseas offices in Singapore and Bangkok, between 2020 and 2023.

Japan's local administrative structure is organized into a three-tier system comprising national, regional, and local governments. The Local Autonomy Law specifies two primary

types of local authority: prefectures as regional government units and municipalities as local government units. Both prefectures and municipalities are independent corporate entities responsible for local public administration within their jurisdictions. In addition to the powers granted by various laws, these entities function as comprehensive administrative bodies, performing a wide range of activities deemed necessary for the residents of their respective regions.

There are 47 prefectures in Japan, ranging in size from the Tokyo Metropolitan Government, which has a population exceeding 13.2 million, to the Tottori Prefecture, with approximately 580,000 residents. This variation was even more pronounced among 1,718 municipalities. Given this diversity, this study focuses on 20 designated cities, which are generally considered to be more international and open. According to the Local Autonomy Law, a designated city has a population of 500,000 or more and is designated by a cabinet order. These cities possess powers similar to those of prefectures in terms of social welfare, public health, and urban planning.

To determine whether each entity had formulated an international strategy, Internet surveys were conducted across 47 prefectures and 20 designated city-level municipalities. If an international strategy was identified, the original text was used for continuous comparative content analysis.

Between 2020 and 2023, semi-structured interviews were conducted with representatives of 19 institutions involved in the implementation of international policies by local governments. This group included 13 staff members from municipal overseas offices stationed at key locations (LG-1 to 13, as shown in Table 1), who serve as critical nodes in the execution of these policies; three municipal officials (LG-14 to 16) responsible for regional promotion at international trade fairs abroad; and representatives from three national government overseas offices (NG-1

Table 1.
Survey Data on International Policy Interviews from Municipal Overseas Offices

ID	Attributes	Location	Organization	Operational Model	Focused Areas	Year/Month
LG-1	Municipal Overseas Office	Singapore	Hokkaido	Joint (Regional Bank)	Food Export, Tourism	2022.8
LG-2	Municipal Overseas Office	Singapore	Nagano	Joint (CLAIR)	SME internationalization Tourism	2020.2
LG-3	Municipal Overseas Office	Singapore	Kochi	Independent (Later joint CLAIR)	Food Export	2020.2
LG-4	Municipal Overseas Office	Singapore	Okinawa	Independent	Food Export, LCC attraction, Tourism	2022.8
LG-5	Municipal Overseas Office	Singapore	Shizuoka	Independent	Tourism, LCC attraction	2022.8
LG-6	Municipal Overseas Office	Singapore	Ishikawa	Joint (JETRO)	Food & Craft Export	2022.8
LG-7	Municipal Overseas Office	Bangkok, TL	Aichi	Joint (JETRO)	SME internationalization Tourism	2023.11
LG-8	Municipal Overseas Office	Bangkok, TL	Tokyo	Independent	SME Technology Development	2023.11
LG-9	Municipal Overseas Office	Bangkok, TL	Shimane	Joint (Thailand Government)	SME internationalization, Tourism	2023.11
LG-10	Municipal Overseas Office	Bangkok, TL	Wakayama	Joint (Thailand Government)	Food, SME internationalization, Tourism	2023.11
LG-11	Municipal Overseas Office	Bangkok, TL	Fukui	Joint (Regional Bank)	Food & Craft Export	2023.11
LG-12	Municipal Overseas Office	Bangkok, TL	Fukuoka	Independent	SME internationalization, Tourism	2023.11
LG-13	Institutional Dispatch	Singapore	Oyama, Tochigi	CLAIR	Food Export	2020.2
LG-14	Municipal Officer	Bangkok, TL	Kochi	-	SME internationalization Tourism	2023.11
LG-15	Municipal Officer	Bangkok, TL	Nagano	-	SME internationalization Tourism	2023.11
LG-16	Municipal Officer	Bangkok, TL	Tasaki, Gunma	-	SME internationalization	2022.2
NG-1	National Government Affiliation	Singapore	JETRO	-	Food Export	2022.2
NG-1	National Government Affiliation	Singapore	JETRO	-	Start-up Attraction, Food Export	2023.8
NG-2	National Government Affiliation	Singapore	CLAIR	-	General Affairs	2020.2
NG-2	National Government Affiliation	Singapore	CLAIR	-	General Affairs	2022.8
NG-2	National Government Affiliation	Singapore	CLAIR	-	General Affairs	2023.11
NG-3	National Government Affiliation	Singapore	JNTO	-	Tourism	2020.2

Source: Author

Table 2.
Status of International Strategy Formulation by Local Governments in Japan

Prefectures 35 out of 47 entities	Toyama Prefecture International Promotion Plan (1990)
	Kochi Prefecture International Exchange Promotion Vision (1994)
	Fukui Prefecture Internationalization Promotion Plan (2002)
	Niigata Prefecture Internationalization Promotion Charter (2002)
	Hyogo International New Strategy (2003)
	Nara Prefecture International Exchange and Cooperation Promotion Charter (2003)
	New Yamaguchi Internationalization Promotion Vision (2003)
	Shiga Prefecture International Policy Promotion Charter (2003)
	Gifu Prefecture International Exchange Strategy (2007)
	Kumamoto Internationalization Comprehensive Guideline (2009)
	Akita Prefecture East Asia Exchange Promotion Initiative (2011)
	Nagasaki Prefecture Asia International Strategy (2011)
	Fukushima International Policy Promotion Plan (2013)
	Saga Prefecture International Strategy (2014)
	Tokyo Metropolitan City Foreign Policy Basic Strategy (2014)
	Okinawa Prefecture Asian Economic Strategy Plan (2015)
	Fuji no Kuni Yamanashi International Comprehensive Strategy (2016)
	Global Nagano Strategic Plan (2016)
	2nd Gunma Prefecture International Strategy (2016)
	Ibaraki Globalization Promotion Plan (2016)
	Ishikawa Prefecture Internationalization Strategic Plan (2016)
	Miyazaki Global Strategy (2016)
	Chiba Prefecture International Strategy (2017)
	Hokkaido Global Strategy (2017)
	Iwate International Strategic Vision (2017)
	Kanagawa International Policy Promotion Guideline (2017)
	Miyagi International Strategy Plan (2017)
	Aichi International Strategic Plan 2022 (2018)
	Akita International Promotion Program (2018)
	Ehime International and Multicultural Coexistence Guidelines (2018)
	Shizuoka Prefecture Regional Diplomacy Basic Strategy (2018)
	Mie International Expansion Basic Strategy (2018)
	Oita Prefecture Overseas Strategy (2019)
	Second Yamagata Prefecture International Economic Strategy (2020)
	Tochigi International Strategy (2021)
Designated Cities	Sagamihara International Plan (2010)
	Chiba City International Promotion Action Plan (2012)
14 out of 20 entities	Kyoto City International Promotion Plan (2014)
	Saitama City International Promotion Basic Plan (2014)
	Sapporo City International Strategy Plan (2014)
	Global Founding City Fukuoka Vision (2015)
	Kawasaki City International Policy Promotion Plan (2015)
	Kobe City International Strategy (2015)
	Niigata City International Promotion Charter (2015)
	Kitakyushu City International Policy Promotion Charter (2016)
	Yokohama City International Strategy (2016)
	Kumamoto City International Strategy (2018)
	Sakai City International Promotion Plan (2018)
	Hamamatsu City International Strategy Plan (2019)

Source: Developed by the author.

The years in parentheses indicate the year of enactment or the year of the recent revision.

to 3). Overseas fieldwork was concentrated in Singapore and Bangkok, chosen because of the prominence of municipal overseas offices in Asia, where diverse operational models are observed. These sites are particularly suited for investigating advanced administrative practices within the

rapidly changing VUCA (Volatility, Uncertainty, Complexity, Ambiguity) environment, which is central to this research.

The interview questions covered a broad range of topics, including specific initiatives undertaken by municipal overseas offices,

support efforts for the overseas expansion of local companies, activities related to the development of overseas markets for local products, major initiatives such as collaborative projects formalized through memoranda of understanding with national or municipal governments, the establishment process and current operational models of these overseas offices, evaluations of successful policies and best practices, and the development of human resources among overseas office staff.

The interview data were digitally recorded and categorized by theme for each text segment. By integrating these data with findings from the literature review, an iterative analysis was conducted to identify key themes. This process provides critical insights into the success factors and challenges faced by municipal overseas offices in international policy efforts. All interviewees were informed that the information gathered would be treated with utmost confidentiality and used solely for academic purposes. Informed consent was obtained to ensure protection of sensitive information throughout the research process.

Results

International Strategies of Prefectures and Municipalities in Japan

The survey results regarding the formulation and content of international strategies by Japan's prefectures and designated city-level municipalities are summarized in Table 2. Of the 47 prefectures, 35 have developed plans related to internationalization, and 14 of the 20 designated cities have formulated such plans, which include strategic international components.

An analysis of the content of these plans reveals that many local governments are acutely aware of globalization and increasing international competition among regions. They are actively seeking to harness the vitality of overseas development to revitalize their local

societies and economies. These strategies often involve exchanges with foreign countries, where local governments learn from exemplary urban policies abroad and apply these lessons to their own regions. Notably, many of these plans were formulated after the 2010s, indicating a shift in the focus of local authorities from traditional international exchange and peacebuilding through sister-city relationships to more economically driven exchanges aimed at coexistence with foreign residents and the pursuit of economic benefits.

The international strategies of many local governments can be broadly categorized into three major pillars: "Acquisition of External Demand," "Attraction of External Demand," and "Human Resource Development." The first pillar, "Acquisition of External Demand," involves leveraging regional resources and supporting local actors, such as businesses and universities, in their efforts to enter overseas markets or develop export channels for regional products, thereby actively seeking external demand. The second pillar, "Attraction of External Demand," focuses on increasing regional consumption by attracting foreign visitors, such as tourists, and by integrating foreign labor and new perspectives into the regional economy. This pillar aims to contribute both directly and indirectly to regional economic development. The third pillar, "Human Resource Development," encompasses the training and development of municipal employees, individuals involved in regional businesses, and foreign nationals to achieve the goals outlined in the first two pillars.

More than half of broad-area local governments and 75% of designated cities have formulated international strategies aimed at linking international exchange with regional revitalization, and the number of such municipalities is on the rise. An examination of the timing of these strategy formulations reveals that while some strategies were sporadically

established before 2010, such as in Hyogo Prefecture in 2004, Miyagi and Ishikawa Prefectures in 2006, and Gifu Prefecture in 2007, there has been a noticeable acceleration in strategy development post-2010. This increase corresponds to the period following the global economic recession triggered by the collapse of the 2008 Lehman Brothers. During this period, Japan's population, already in decline due to low birth rates and an aging society, stood in stark contrast to the rapid population growth and income expansion observed in Asia, particularly in China. Faced with economic challenges, local cities have recognized the necessity of integrating the robust growth of Asia, especially China, which has achieved nearly 10% annual economic growth, into their regional development strategies. This shift marked a movement toward the formulation of international strategies that emphasize leveraging regional strengths in the context of global relationships rather than focusing solely on domestic considerations.

The formulation of international municipal strategies is significantly influenced by the values and leadership of municipal leaders. Even in relatively small municipalities, proactive mayors are actively promoting overseas expansion and have succeeded in attracting the local offices of national international trade support agencies. In a survey conducted with Japanese municipal officials in Bangkok, one official remarked,

The formulation of such international municipal strategies is greatly influenced by the values and leadership of municipal leaders. Even in relatively small municipalities, mayors are actively promoting overseas expansion support and have attracted the local offices of national international trade support agencies. In a survey conducted with Japanese municipal officials in Bangkok, the following comments were made.

The influence of the top leader is indeed significant, especially because these activities are not mandated by law. For

instance, there was a time when the governor was a former official of the Ministry of Economy, Trade, and Industry (responsible for international trade), which led to an increase in such activities. However, since a governor from another ministry took office, the focus shifted, with the current administration pulling back, citing a lack of personnel to support overseas engagements.

Overseas Offices of Local Governments

This section examines the organizational and human resource development strategies employed by local governments to advance their international initiatives as well as their efforts to foster intercity collaborations. Local governments have established overseas offices to implement international strategies. While embassies and consulates represent Japan at the national level in various countries and cities worldwide, these overseas offices function as regional representatives and effectively serve as local government versions of embassies and consulates. Their roles can be broadly categorized into four primary functions.

1. **Gathering and Providing Information:** These offices collect and disseminate information regarding the administration, the economy, and other relevant aspects of their overseas jurisdictions.
2. **Disseminating Regional Information:** They actively promote regional information, which includes marketing local products and encouraging tourism and corporate investments.
3. **Facilitating Educational and Cultural Exchanges:** These offices support educational and cultural exchanges with foreign cities, such as student exchange programs, sister-school partnerships, and the exchange of cultural and artistic works.
4. **Promoting Economic Exchange and Supporting Overseas Business Activities:** They facilitate economic exchanges with foreign entities and support regional

companies engaging in overseas business activities, including marketing, business matchmaking, and organizing or hosting economic missions.

In addition to these primary roles, local governments' overseas offices undertake various other responsibilities as well. These include building local human networks, coordinating visits by senior local government officials, supporting regional companies in participating in overseas trade fairs, promoting the use of local government-managed ports and airports (port and airport marketing), supporting Japanese-language education, and fostering the international awareness and language skills of local government employees. Furthermore, these offices play a crucial role in cultivating international human resources in the local government workforce. This is achieved through the dispatch of employees to international organizations, such as the Council of Local Authorities for International Relations (CLAIR), the Japan External Trade Organization (JETRO), the Japan National Tourism Organization (JNTO), and overseas diplomatic missions of the Ministry of Foreign Affairs, as well as through personnel exchanges with foreign local governments.

A municipal official from an overseas office in Singapore emphasized the significance of local governments' international policies.

Obtaining endorsements from the prefectural government is a significant advantage. When a company is presented to potential buyers, its reliability is a key concern for the buyer. Especially when dealing with a new partner, it is crucial that the government thoroughly vetts the company.

Similarly, an official from an overseas office in Bangkok highlighted the role of municipalities.

The role of municipalities is to provide opportunities for setup and to facilitate matchmaking. By doing so, municipalities can filter high-quality local resources

and add credibility, making it easier for regional companies to conduct business overseas.

The primary objective of establishing overseas offices by local governments is to promote economic exchanges. The secondary objective is to foster cultural and social exchanges, particularly through sister and friendship city relationships, along with economic exchange initiatives. Establishing offices solely for human resource development is rare. In terms of location, there is a noticeable concentration of these offices in specific countries and cities such as Shanghai in China and Seoul in South Korea. Most of these overseas offices are typically situated in the capital or the largest economic city of the host country. There are three main types of operational structure for overseas offices.

- 1. Independent Offices:** These directly established and operated by the local government, with staff employed by the government.
- 2. Joint Offices:** These are established and operated jointly by several local governments or in collaboration with local financial institutions such as regional banks.
- 3. Outsourced Offices:** These operated by private companies or individuals in contractual arrangements with the local government.

A municipal official who worked in collaboration with a regional bank at an overseas office noted the following.

When supporting companies' overseas expansion, there is always debate about whether it is appropriate for the government to assist in the pursuit of profit for specific companies. In this regard, a joint office with a bank is effective.

Regional banks have very strong connections with their customers and sometimes collaborate on industrial policy by using their expertise in financial services.

Regarding the operational structure of overseas offices, outsourcing has become more prevalent. An official from an overseas office in Bangkok observed the following.

The support desk is knowledgeable about the local area, but these companies prioritize achieving their business KPIs. Their approach was passive, responding when inquiries arose. In the case of outsourcing, these companies may also be contracted to run similar business desks in other municipalities.

History of Overseas Offices Established by Japanese Local Governments

Early efforts by Japanese local governments to establish overseas offices began in 1958, when Osaka City opened its first office in Chicago, USA. This was followed by Kobe City in 1961, which, with the cooperation of its sister city, Seattle, USA, established an office to serve as a base for friendship and economic exchange between the two cities.

A significant shift in the operations of these overseas offices occurred during the tenure of Governor Shintaro Ishihara of Tokyo (1999-2012), who decided to close the city's overseas offices in New York and Paris. This decision prompted a nationwide re-evaluation of the management of these offices. For example, under Mayor Toru Hashimoto (2011-2015), Osaka City closed three of its four overseas offices (Paris, Singapore, and Chicago) in 2012, consolidating the remaining Shanghai office with the Osaka Prefecture Shanghai Office to form the Osaka Government Shanghai Office.

Consequently, since the 2000s, local governments have reduced the establishment of overseas offices, driven by financial constraints and the need for immediate, measurable outcomes. Nevertheless, new offices were established, such as Yokohama City's office in New York in 2018, and Okinawa Prefecture's office in Seoul in 2019.

Recent Trends and Operational Forms

In recent years, there has been a trend toward an increasing number of overseas offices, with a growing preference for outsourcing their operations. For example, local governments have contracted with service companies to promote tourism to Japan abroad, known as "tourism representatives" or "tourism reps," and to support MEs in expanding overseas by introducing industrial parks and providing interpreting services, as exemplified by the "Vietnam Desk."

Some offices, referred to as "one-person offices," are set up within existing international organizations staffed by a single dispatched local government employee. For instance, the Nagano Prefecture Office is located within the Singapore office of the CLAIR, whereas the Kanagawa and Ishikawa Prefecture offices operate within the JETRO office in Singapore. The advantage of these one-person offices is that management tasks can be delegated to the host organization, allowing the dispatched staff to focus on international exchange and business support. Such an arrangement is often more economical than establishing an independent office. However, there are limitations such as the need to align the office's activities with the host organization's objectives. For example, if the office is hosted by JETRO, its activities must primarily focus on economic exchange, potentially restricting its ability to engage in broader administrative, cultural, or youth exchange activities. Therefore, in some cases, an office may initially be set up as a one-person office within an international organization, with plans to transition to an independent office after several years.

Challenges and Evolution in Overseas Office Management

Operating an independent overseas office involves numerous administrative tasks including leasing and managing office spaces, hiring local staff, and handling various payments. The head of such an office, typically a local government official

of the section chief or deputy section chief rank, often spends over 30% of their working hours on office management and staff supervision. Given the additional costs associated with staffing and living abroad, it may not always represent the most efficient use of human resources.

1. **Shift in Operational Models:** A movement from direct operation to outsourcing and joint establishment through public-private partnerships.
2. **Functional Specialization:** A transition from comprehensive representative offices to those with more specialized functions, such as tourism promotion and corporate support.
3. **Geographical Shift:** A shift in focus from Europe and North America to an increasing emphasis on Asia.

Despite these changes, the number of international offices has continued to grow, reflecting the diversification of international strategies tailored to each local government's specific needs.

International Urban Networks

Historically, local governments in Japan have centered their international policies on sister city exchanges. A "sister city" relationship is typically established through a formal agreement signed by the mayors of the respective cities, creating a one-to-one partnership. As previously mentioned, there are over 1,700 sister-city relationships involving local Japanese governments. Many of these governments, particularly those in larger metropolitan areas and designated cities, have maintained exchanges with multiple sister cities.

In recent years, however, the scope of international urban networks has broadened, with many local governments participating in, or even leading, international networks composed of multiple cities. Examples of such networks include the Global Covenant of Mayors for Climate and Energy, UNESCO Creative Cities Network, and

C40 Cities Climate Leadership Group, which are organized around specific policy themes such as sustainability, creativity, and climate leadership.

There are three primary reasons why local governments participate in international multi-city networks:

1. **Policy Information Sharing:** Participation in these networks allows local governments to efficiently gather information on exemplary policy initiatives from cities worldwide. Many urban issues are common across cities, enabling local governments to learn from cutting-edge problem-solving methods used elsewhere. While each region has unique circumstances, public information, such as case reports and videos, may not always suffice when adapting to another city's policy. Face-to-face exchanges between officials can provide critical insights into how policy consensus was achieved, the extent of the government's role versus that of the private sector or other organizations, and the specifics of the contracts used. Building personal networks through these international platforms also enables the acquisition of tacit knowledge that is crucial for the detailed execution of policies.
2. **Building a Regional Brand:** Participation in international multi-city networks can help to build and enhance a city's regional brand. As part of such networks, a local government can showcase itself as progressive and innovative, aligning with other cities on a global stage. This participation helps the city maintain and improve its brand, projecting the image of being on par with other member cities worldwide. Although global promotion requires significant public resources, including funding, effort, and time, being recognized as part of a prestigious international network can serve as an efficient method of international promotion.
3. **Enhancing Matching Efficiency:** As international exchanges have become more pragmatic, the focus has increasingly shifted

to generating tangible projects that connect different regions. With many participants in multi-city networks, the potential to collect policy information and create exchange projects increases, making it more likely to form cooperative relationships with a larger number of cities through continued participation. These international networks serve as platforms that not only local governments but also local businesses, universities, and non-profit organizations can convene. By focusing on specific objectives such as "environment," "historical preservation," "regional branding," "disaster prevention," and "smart cities," these networks facilitate information sharing and project creation, leading to more efficient matching of stakeholders.

Discussion

The findings of this study reveal that in the VUCA era, international municipal networks have evolved beyond traditional one-on-one sister-city relationships, progressing towards multi-city networks that emphasize information sharing and project development. Additionally, the organizational structures of bodies responsible for executing international policies have increasingly involved partnerships with national agencies and collaborations between municipalities and private companies, including the outsourcing of certain tasks.

Drawing on these insights, this study proposes a developmental model that categorizes international municipal policies into three stages: Traditional Administration, New Public Management (NPM), and Network Governance. It also offers policy recommendations concerning leadership, policy evaluation, and human resource development, aimed at empowering local bureaucracies (Table 3).

Over time, the organizational structure and governance of Japanese municipal international policies and overseas offices have undergone

significant transformations, reflecting broader shifts in public administration paradigms. These changes are evident in the evolution of three primary models: Traditional Administration, NPM, and Network Governance.

Initially, the Traditional Administration model was predominant and characterized by a strong emphasis on input and service delivery management. This approach prioritizes hierarchical control and bureaucratic processes, with a primary focus on administrative functions such as cultural and youth exchanges. The objective was to maintain the established protocols and ensure strict adherence to bureaucratic principles in public administration.

As public administration evolved, the NPM model emerged, marking a shift towards responsiveness to customers and efficiency in output management. Driven by economic pragmatism, this model places a greater emphasis on competition and market mechanisms. In this context, international exchanges have begun to be viewed as tools of economic development and social impact. The NPM approach drew heavily from private sector practices, incorporating performance measurements and contractual relationships to enhance efficiency and responsiveness.

In recent years, the Network Governance model has gained prominence as it represents the most contemporary approach to public administration. This model emphasizes maximizing outcomes through collaboration and partnerships, aiming to serve citizens' interests by balancing urban problem solving with business innovation. Network Governance fosters cooperation among various stakeholders, including governments, businesses, and academic institutions to develop comprehensive solutions and innovative projects. Unlike the hierarchical and competitive approaches of previous models, Network Governance promotes a networked organizational structure that encourages flexible

and adaptive responses to complex challenges.

In terms of inter-organizational relations, the Traditional Administration model relied heavily on in-house management and hierarchical structures to ensure a clear delineation of tasks and responsibilities within the bureaucracy. However, the NPM model introduced competition and the outsourcing of services, engaging external vendors or partners through contractual agreements to improve efficiency and cost-effectiveness. Network Governance, by contrast, fosters collaboration and partnerships across organizations, encouraging collective efforts among municipalities, private sector entities, and academic institutions.

The purpose of international exchange evolved in line with these governance models. Under Traditional Administration, the focus was primarily on administrative exchanges, such as cultural and youth programs, aimed at fostering goodwill and mutual understanding. With the rise of NPM, international exchanges have begun to serve more pragmatic purposes, including economic development and social impact. Network Governance further extends this evolution by balancing urban problem solving

with business innovation, creating projects that address urban challenges while fostering international collaboration and economic growth.

Operational models of overseas offices have evolved in a similar manner. Initially, these offices were directly operated by the municipality, reflecting the centralized control typical of Traditional Administration. Over time, however, new models have emerged, such as outsourced business support desks that handle specific functions, such as business matchmaking, and joint municipal offices where multiple local governments share resources and collaborate on international initiatives. The most advanced form of this evolution is seen in industry-public-academia joint offices, which involve regional banks and universities in a collaborative framework to leverage diverse expertise and resources for international engagement.

Finally, forms of international urban exchange were transformed in line with these governance models. Traditional Administration typically involves sister cities or bilateral friendship exchanges and focuses on cultural and symbolic ties. NPM introduced purpose-specific inter-city exchanges, such as business partner cities, aimed

Table 3.
Organizational Structures and Governance Transformation of Japanese Municipal International Policies and Overseas Offices

	Traditional Administration	New Public Management	Network Governance
Governance Purpose	Input and Service Delivery Management	Responsiveness to Customers Output Efficiency Management	Realization of Citizens' Interests Maximization of Outcomes Efficiency in Business Matching
Organizational Principle	Bureaucracy	Market	Network
Interorganizational Relations	Hierarchy/In-house Management	Competition/Contract	Collaboration/Partnership
Purpose of International Exchange	Administrative, Cultural, and Youth Exchange	Economic (Social) Pragmatism	Balancing Urban Problem Solving and Business, Innovation Creation, Project Making
Operational models of overseas offices	Directly Operated	Business Support Desk (Outsourced)	Joint Municipal Office (Multiple Local Governments) Industry-Public-Academia Joint Office (Regional Banks, Universities)
Forms of International Urban Exchange	Sister Cities/Friendship Exchange (Bilateral)	Business Partner Cities, Purpose-specific Inter-city Exchange	Participation in International Municipal Collaboration

Source: Developed by the author.

at enhancing economic ties and project-based collaboration. Network Governance expands this approach by promoting participation in international municipal collaborations involving multiple stakeholders working together on shared goals and initiatives.

In conclusion, the transformation from traditional bureaucratic administration to networked governance reflects broader trends in public administration, where the emphasis has shifted from hierarchical control and service delivery to market-driven efficiency and collaborative problem-solving. These changes have significantly affected the way Japanese municipalities engage internationally, leading to more dynamic, outcome-oriented, and partnership-based approaches in their overseas offices and international policies.

Conclusion

The study reveals that in the VUCA era, international municipal networks evolved from traditional one-on-one sister-city relationships to multi-city networks focused on information sharing and project development. Organizational structures for executing international policies have increasingly involved partnerships with national agencies and collaborations between municipalities and private companies, including the outsourcing of certain tasks. This study proposes a developmental model that categorizes municipal international policies into three stages: Traditional Administration, NPM, and Network Governance. Over time, the governance and organizational structures of Japanese municipal international policies and overseas offices have shifted from a focus on hierarchical control and service delivery to market-driven efficiency and collaborative problem solving. This evolution reflects broader trends in public administration, with Traditional Administration emphasizing bureaucratic processes, NPM introducing competition and outsourcing, and Network

Governance fostering partnership and innovation. These changes have led to more dynamic, outcome-oriented approaches to international policies and the operation of overseas offices, significantly transforming the way Japanese municipalities engage in the global stage.

Local governments engage in a broad array of administrative and operational activities, most of which focus on basic public services and infrastructure development within established legal frameworks such as welfare, public education, and the management of roads and waterworks. However, international policy is a particularly specialized aspect of local government operations. Approaches to international policy vary significantly among local governments, making a comprehensive evaluation and analysis challenging. Additionally, theoretical and empirical research in this area remains limited. Despite these challenges, international policy, alongside the promotion of information technology and environmental policy, including the integration of foreign nationals, will likely continue to be a crucial issue for local governments over the next decade.

Leadership from top municipal officials is essential for the stable implementation of international policies, as it is challenging for lower-level employees to formulate and execute such policies through a bottom-up approach. Often, when a new mayor assumes office, existing international policy initiatives may be discontinued and the staff involved may be reassigned. This is particularly true within the NPM framework, where evaluations of international regional industrial strategies often focus on short-term metrics, such as increases in business negotiations, foreign tourist numbers, or year-over-year sales growth of regional products. Sustaining long-term initiatives can be difficult when these short-term goals are prioritized. A bottom-up approach in policymaking frequently leads to delays in consensus building, resulting

in insufficient initial budgets and investments, which may in turn lead to poor outcomes and the abandonment of further development.

International networks and connections between municipalities can be regarded as a form of public good, serving as a social infrastructure that reduces transaction costs for private activities. Similar to roads constructed as public works, these networks facilitate interactions between regions and promote exchanges and collaboration. Viewing international municipal networks as public goods and infrastructure, it is essential to adopt a long-term perspective and link these networks to regional development through the enhancement of urban brands, overseas expansion of local industries, and influx of diverse knowledge that accompanies the movement of people.

Local government officials involved in international policy implementation require a range of capabilities, including an understanding of both domestic and international economic conditions, the ability to analyze sectors with growth potential in their region, and the ability to coordinate with domestic and international government agencies and private companies. These officials can be developed through work experience in overseas offices, training at international collaborative institutions established by central ministries, and participation in human resource development programs. The skills required are often more akin to general professional competencies than specialized tasks typically associated with public service, such as legal drafting or parliamentary negotiations, making them transferable to other sectors. However, there is a risk that personnel with international expertise may be reassigned to positions unrelated to their skills, leading to loss of motivation and, in some cases, career changes. Therefore, a key challenge is to create a work environment and personnel system within local governments that allows specialized personnel to continue working with a sense of purpose and

meaning.

Future research should explore questions such as "What is the optimal governance model for managing both local networks that include private actors and international regional networks?" and "What are the boundaries of local government administration, and where should the line between public and private sectors be drawn?" Comparative studies of international policy practices among domestic and international local governments as well as research on the organizational and personnel systems of international policy departments are expected to advance the field.

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