

## Organisation of Rail Transport in Japan

Note following ECMT workshop in Tokyo 2-3 March 2005  
(ECMT is now the International Transport Forum)

See pdf

For workshop papers visit:

<http://www.internationaltransportforum.org/IntOrg/ecmt/urban/Tokyo2005.html>

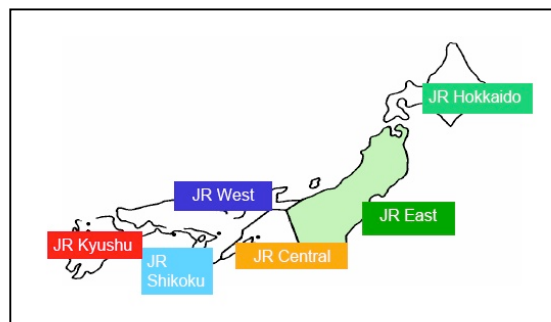
### Tim Pharoah

The organisation and ownership of public transport in Japan is of great interest to Europe and OECD countries in two main respects:

1. The heavy reliance on the private sector for the planning and delivery of services, which is in stark contrast to the “publicly regulated franchise” model adopted in most west European countries;
2. The provision of frequent and reliable services funded from transport company revenue (i.e. without operating subsidies).

On the face of it the Japanese system provides a powerful argument in favour of both privatisation and deregulation of bus and rail services. Certainly the reliability and intensity of services can invoke envy amongst observers from other countries.

Privatisation of Japanese rail services took place in 1987, with further privatisation of rail activities and sell-offs occurring up to 2002. Japanese National Railways was split into six regional passenger rail companies (see map) plus a freight company. Large and growing public subsidies for the national operation was clearly the key motivation behind privatisation, but there were also concerns about poor management and lack of innovation and development. In the years following privatisation, income stabilised and long-term debts were reduced. In addition, passenger kilometres increased substantially, accommodated by major capacity increases, including the building of the Shinkansen high speed lines.



Those attending the ECMT workshop in Tokyo felt that they were only scratching the surface in terms of understanding the arrangements in Japan. Comparative study is always fraught with difficulties, particularly when comparisons have to take account of fundamental and often obscure differences in culture. This note sets out a few impressions and questions following attendance at the workshop and a certain amount of travel in Japan.

Just how good is public transport in Japan?

- Yes, it is one of the biggest if not the biggest public transport system in the world;
- Yes, most services run on time, and action is swift when problems occur;
- Yes, there is a full range of local, regional and national services including a large network of dedicated high speed railways;
- Yes, fares appear to be affordable relative to prices generally;
- Yes, new lines and services do get provided in advance of the developments they serve – e.g. the automated Yurikamome Line from Shimbashi to the developments at Odaiba in Tokyo.

Some caveats are needed and caution is needed before pronouncing the system of superior quality to those found in most of western Europe.

- There is severe overcrowding on some services;
- Buses generally are not state-of-the-art (low floor buses are still a novelty);
- Fares and ticketing are complex and fiddly (to European eyes);
- Fares and ticket integration falls well short of best European practice (though this is being addressed in some places);
- Passenger information appears to be to be less than systematic;
- Many private regional and rural rail lines continue to lose passengers and apparently receive operating subsidies.

The key question remains, however: How is such a high volume, high capacity and safe public transport system delivered almost entirely by the private sector?

To be useful the answer must be set within the cultural context of Japan. It is not sufficient to judge and compare public transport systems as isolated entities. To give a tentative example of cultural difference, the fare systems found on both rail and bus services seem unnecessarily complex to west European users (even when the language presents no barrier) and yet to Japanese people in general this is not a problem. The liking of numbers, the ability to calculate accurately, and the willingness to deal with irregular amounts is not unique to Japanese people, but it is hardly matched in Europe.

Specific features of the Japanese system need to be acknowledged, which are likely to affect public transport outcomes in one way or another. Some thoughts are:

- There is a long history (from the 1920s?) of economic diversification of rail companies, especially into land and development and retailing, providing income on a scale that is not typically available to European operators;
- The extremely high rail-orientation of much of the urban development (rail corridors with very high population and employment densities, and large core-city areas). In Tokyo, 64% of journeys to work are made by rail;
- Staff loyalty to (and dependence on) their companies;
- Social responsibility of companies;
- Lack of shareholder pressure for short term returns on investment, (most shareholding is corporate rather than individual) enabling:
  - priority to be given to customers rather than to shareholders,
  - priority to long-term profits and stability rather than short term shareholder dividends,
  - private sector funding of rail and other infrastructure;
- Involvement of the public sector in planning and monitoring, and willingness of private companies to cooperate in this process because of potential for increasing traffic and revenue (similarities with Bus Quality Partnership approach in Britain?).

These issues are worthy of exploration in greater depth, in particular because in Europe the private sector is called upon to play an ever increasing role in the delivery of public transport.

I would welcome any comments on the above, as well as any sources that provide insights into the Japanese public transport system.

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Below is an interesting attempt to indicate where responsibilities lie for different aspects of transport policy. It was drafted by Professor Tony May (ITS, Leeds) following discussions at the Tokyo workshop, but he pointed out that the information needed verification. Any contributions via this website would be appreciated.

*“There are four levels of responsibility:*

- *National*
- *Prefecture (region)*
- *Special cities, including Tokyo, which operate in many ways as Prefectures*
- *Other cities and urban areas.*

*The following table indicates their responsibilities for different transport policies.”*

Policy	National	Prefecture	Special City	Other cities
Public roads	√	√	√	√
Toll roads	√*	Rare	√*	√ (public corporations)
Traffic management	X	Police	X	X
On street parking	X	Police	X	X
Off street parking	X	X	√**	√**
Land use planning	X	√	√	X
Bus	***	X	√****	√****
Rail	*****	Limited investment	*****	Limited
Underground	X	X	√****	X

Key:

- \* These toll roads (national and in Tokyo, Hanshin) are to be privatised
- \*\* Mainly private, but some public car parks
- \*\*\* Some national services run by the regional JR services; some private
- \*\*\*\* Most run by the city's Transport Division, with some outsourcing; some private services; Tokyo has some private underground lines
- \*\*\*\*\* Six regionally split private JR companies plus private railway lines