

Currently, sewerage projects in Japan are in serious financial shortage situation. Since the period of rapid economic growth, sewage facilities that have been rapidly developed in a short period of time are getting old and the renewal demand is increasing year by year. While the sewerage fee income is slightly increasing year by year, it is currently not enough to cover the growth of these necessary expenses, but about half of the income depends on the general account payment. As a factor, Endo (2015) cites the difficulty in raising the sewerage fee easily. The reasons are that the sewer is one of the most fundamental infrastructure in daily life, that there is wide recognition that it is commonplace for sewer to be available at a low price among residents, that elections, etc. It points out consideration. Also, according to Endo (2015), unlike other infrastructures such as electricity and gas, in principle local governments (municipalities) manage and operate the sewers, even if they say local bodies as a bite, It is pointed out that large regional disparities exist in population size, fiscal size, site conditions, etc. For this reason, the smaller the local government, the greater the impact of sewerage projects on the fiscal situation is said to be pressing the finances. This can be said to be a factor that caused deterioration in the sewerage project's cash flow. Especially, depending on the state of dependence on general accounts which is remarkable to small-scale municipalities, and the management situation that is going down worse, the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Internal Affairs and Communications will strengthen the management foundation by broadening the sewerage business, By improving, we believe that raising the management level is a solution. Specifically, the Ministry of Internal Affairs and Communications sets out the following policies. From the viewpoint of strengthening the management foundation of public enterprises, promoting management efficiency, and improving the level of service for local residents, we decided to promote broadening and integration of business according to local circumstances, In addition to actively utilizing joint processing methods such as establishment of administrative associations etc., outsourcing consultation etc., to avoid duplication and competition of functions with neighboring business entities and strengthen cooperation so that mutual appropriate function sharing is planned It is appropriate to promote. However, the Ministry of Internal Affairs and Communications does not necessarily clarify the validity of this policy. Therefore, the purpose of this paper is to quantitatively verify the hypothesis that "widening of sewerage project will improve management level". In this paper, based on the data of the local public enterprise yearbook and the population resident basic account data mainly from 1999 to 2013, the tabulation panel data constructed for each municipality is used. We also defined the broadening as a merger / integration of business entities. Therefore, we considered the merger of municipalities as the management entity of the sewerage project as broadening, and analyzed the influence of regionalization on the management level of local governments by comparison between municipalities that did merger and non-municipalities that did not. As a result of the analysis of this paper, it became clear that widening the area gradually diminishes the cost (total cost) as time goes by increasing the profitability of local governments and the merit of scale. Therefore, the policy implication obtained from the results here is that promotion of wide area will increase the management level of local governments and increase the possibility of sustaining public service as sewer, and will further advance in the future It should be.