LESSONS FROM BEST PRACTICES: JAPANESE ADMINISTRATIVE REFORMS

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Abstract
This article assesses the administrative reform transferring by evaluating its necessity and major themes of the administrative reform transferring. Strategies for successful administrative reform transferring are emphasized. Special reference is given to New Public Management reforms perceived as a standard model of administrative reform for most countries in the 1980s and 1990s. It is argued that there is no single approach for reforming government or transferring administrative reform. In administrative policy transferring, every country needs to create an innovative perspective according to its economic, political and social circumstances rather than an imitative one. Japanese administrative reforms analyzed as an example of reform transferring from a historical perspective.

Keywords: Administrative Reform, Policy Transferring, Diffusion of Innovation

Basarılı Uygulamalarından Örnekler: Japon Yönetsel Reformu

Özet

Anahtar Kelimeler: Yönetimsel reform, Yönetimsel reform transferi, Bulusların yayılması

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Introduction

Administrative reform is a universal claim of contemporary societies, but strategies of general applicability for achieving such reform are far from being universally defined. In this paper, administrative reform is conceived as a deliberate policy and action to alter organizational structures, process, and behavior in order to improve administrative capacity for efficient and effective public sector performance. Since the advantage of this definition is its operational thrust compared with the view of administrative reform as "artificial inducement of administrative transformation against resistance." Other terms (such as ‘development’ or ‘change’) are used in the literature, in addition to ‘reform’ without clear denotation of the beginning of one concept and the end of another. Administrative reform may overlap or include administrative change, development, and evolution because it is doubtful that useful separation is possible. For the purpose of this paper, ‘administrative development’ and ‘administrative reform’ are used interchangeably, although meaningful distinctions may be established to suit various contexts. Further, this paper does not attempt to present a comprehensive view of administrative reform, nor does it claim to incorporate every influence relevant to the process. A comprehensive approach must necessarily determine who decides the agenda for reform and who assigns the priority items. It must also address questions of legitimization of reform, strategies, and instruments of implementation, progress evaluation, feedback, and review.

Japan is known as a successful “imitator and innovator” on transferring institutions from other cultural environment to its unique culture. After mentioning some important aspects of current global administrative reform movement, this paper examines the transferability of administrative reform by using Japanese ‘paradox of success’ as an example.

Administrative Reform: the Need for Administrative Reform

There has been a discussion about ‘making government work better and cost less’ in almost any government, from capitals to any city hall, around the world. What is especially remarkable about the contemporary administrative reform movement is the similarity of the changes being implemented, and the similarity of the discourse about change in the public sector occurring in many of those settings. The expectations from administrative reforms are same for all the governments: more efficient, more effective, small, transparent, and less expensive government.

The universal administrative reform movements in public management of past years have been driven in large part by the government respond to the fiscal crises brought by changes in the international economic and by the demands for government

services and regulations in national political systems. These financial crises have led to budgetary restraint and downsizing the public employees, as well as privatize government operations and to deregulate private economic initiatives.\(^4\) Caiden summarizes the need of administrative reform very succinctly. “The latest rush to overhaul administrative systems and to rejuvenate public organizations around the globe has been promoted largely by a worldwide decline in public finances and the need to get more for less. Governments have had to cut back, to reduce expenditures staff, investments, and services and to demand higher productivity and better performance from their sluggish public sector. In trying to position their countries better in the emerging world economy, governments have been forced to redefine their role and reconceptualize strategies.”\(^5\)

**Characteristics of Administrative Reform of the 1980s and 1990s**

It is obvious that Anglo-American countries have tented to be the leaders in administrative reform. “This is true for market reforms, but also true for some of the other styles of change as well. This appears to be a function of the approach to public administration taken in these regimes. In particular, the emphasis on management as opposed to law or economics as a basic for running public administration means that new public management reforms are much more congenial, and more likely to be thought in the first place.”\(^6\) The core reform ideas and principles included in most national efforts of the past three decades are frequently lumped under the term managerialism. Managerialism relies on an essentially, private-sector set of techniques and practices, amply leavened by public choice and market theories.\(^7\) Greater efficiency is a primary objective of managerialist reforms; decentralized, privatized, or otherwise off loaded government services are also central to the managerialist strategy. In virtually all cases, the senior civil service was a target of reform with the use of performance contracts, often in combination with greater authority and discretion in budgetary and personnel matters, as a common feature.

The reforms of the 1980s and early 1990s drew upon previous dissatisfaction with government and upon the work of previous commissions or groups that studied the problem. Britain’s Fulton Report in 1968 argued that members of the British higher service lacked management skills. Australia’s Coomb’s Commission Report argued that financial and management systems needed greater simplicity and more integration. Canada’s Glassco Commission argued for decentralization and greater managerial discretion. The Grace Commission in the United States was less subtle; it simply argued


\(^6\) Peters, Ibid; 81

\(^7\) Peters, Ibid; Aucoin, Ibid.
that government should be operated like a business. In all these cases, administrative reforms were considered important policy tool in improved governmental performance. As a result, the reforms that eventually ensued emphasized not only significant downsizing but also significantly improved management capabilities.

Of the many types of public policy reforms undertaken by governments are based not only on policy changes emanating from the highest political and technocratic levels but also require intricate administrative and behavioral shifts throughout the bureaucratic system. They may be piloted in one sector or sphere, but in order to take hold in an enduring way, they must ultimately permeate through the governmental apparatus. Administrative reforms, often linked to changes in the larger political and constitutional framework, perhaps require political commitment at more points within the polity than other types of reform.9

Goals of Administrative Reform

Effective and Efficient Public Sector

The need to review and re-examine structures of government and to establish efficiency and market testing programs were common components of the contemporary administrative reforms. Various measures have been taken to reduce the size and improve the allocation of the budget, and to reduce the number and improve the assignment of officials. These measures will ensure that public officials can perform their duties efficiently and rationally while meeting the expanding and changing needs of the people for the government towards the 21st century.10 Without effective public administration, it would not be easy for a democratic government to deliver services so as to give meaning to greater freedom of self-expression (Kaul & Collins, 199511).

Productive Public Sector

The use of information technology was central point for all the administrative reform movements, but it was special importance for Japanese administrative reform.12 The development and use of internal and external advising skills are other important components in improving management systems and skills. “The introduction of quality management and customer-oriented programs was also common component in

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reform.”13 In order to be seen as trustworthy, public administration must offer services to 
the people that correspond to their needs, and that are of a high quality. For this reason, 
many countries make efforts not only to directly improve the quality of existing public 
services but also to examine and refine what services are available to the public as well.

**Small Government**

Failures of capitalistic system before World War II influenced governments 
thereupon to manage their economies and run major industries. For a time, 
“collectivization” and “nationalization” meet public objectives better than private 
companies. But in times public sector performance fell below expectations, productivity 
declined, and public enterprises were not any improvement on private enterprise. By the 
1970s, it was becoming clear that the expansionary era in government was soon to end.14 
Then privatization came to scene especially with the effect of new public management 
move.ment. According to Caiden “the term ‘privatization’ took a more precise meaning 
when British Prime Minister Thatcher assumed office in 1987 on a populist platform 
centered on ‘rolling back to state’... Privatization shifts government-owned industries 
into the private sector, automatically reducing the size of the government, state controls, 
and the public budget.”15 Economic pressures were main forces for change toward the 
small government.16

**Debureaucratization**

Privatization and coproduction are part of a larger effort to reduce government 
intervention and bureaucratic controls. Debureaucratization should seek public trust, 
confidence in government, and reduce the public cynicism against the government, 
which has dropped sharply over the past years. Objective of debureaucratization is 
“eliminating bureaucratic dysfunctions not the bureaucracy itself.”17

**Transparent Government**

Many countries have taken steps to change their procedures in order to clarify 
to the public how administrative decisions are made. Such countries feel it is essential 
not only to explain to the public those matters which the administrations believe are 
important, but to follow the principle of accountability and make the operations of public 
administration open to the people. In order to obtain the trust of the people, the public 
administration must effectively and comprehensively explain its activities and respond to 
public feedback. Particularly in the age of internationalization, it is not only for a clear 
explanation of the mechanisms and principles of public administration, but also for the

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13 Kaul, Ibid., s.143.
15 Caiden, 1991, Ibid.
16 Kaul, Ibid., s.132.
17 Caiden, 1991, Ibid.
clarification of all necessary areas, particularly those considered closed and opaque by observers from abroad.18

Role of Leaders and Politics in Administrative Reform

Governments have to demonstrate a clear vision of the future, based on values that are widely shared in society and leadership quality. This requires political commitment and continuity, team building for the management of administrative reform and the setting of priorities and tangible, realistic objectives. Administrative reform if it is to be effectively implemented requires a holistic approach, integrating the multiple human resource, financial, technical and structural factors involved within a dynamic environment.19 Kaul emphasizes “importance of securing highest level of political authority to an administrative reform program. Equally important is the institutionalization within the government machine of the skills necessary for the continuation and development of good management in government.”20 Japanese government has successfully implemented separate administrative reform agency ideas in their administrative reform settings. Kaul also points out another very important issue related with success of administrative reform in any country by drawing lesson from Commonwealth experience. “The Commonwealth experiences have demonstrated that most successful reforms are politically driven at the highest level. There should be sufficient political will to implement such reforms”.21 High-level national leaders must shepherd the reform program, and politicians throughout the system need to agree to support reforms that would curtail their ability to distribute patronage. Political support is also needed from middle and lower level bureaucrats.

Transferability of Administrative Reform: Global Change & Local Solutions

Under the influence of New Public Management (NPM) a number of countries have been putting the New Public Management into practice. The implementation of the New Public management is not only restricted to developed countries but is also extended to developing and transitional societies in Asia, Latin America, and Africa. All these developments in the study and practice of public administration lead us to think importance of transferability of administrative reforms. Some academics and practitioners believe that there is a new global paradigm in public management and that the rise of NPM is inevitable.22 Aucoin observes that “an internalization of public management is taking place in every government of developed countries. A good deal of comparative learning is thus being attempted” also “this internationalization of public

20 Kaul, Ibid., s.136.
21 Kaul, Ibid., s.149.
management parallels the internationalization of public and private sector economies.”

Nevertheless, another school of thought treats the emergence of new, coherent paradigm
of public management and the universal application of NPM, administrative reform
movement, with skepticism and reservation. Hood points out that “the movement away
from progressive public administration in the 1980s was in fact far from universal,” that
“it does not necessarily follow that administrative reforms were undertaken for the same
reasons or will automatically have the same results in different countries.” Even though,
Hood denies the universality of NPM, he does not reject the applicability of NPM by a
number of countries. According to Hood, “like many other philosophies, NPM was
presented as a framework of general applicability of ‘a public management for all
seasons.’ The claim to universality was laid in two main ways: portability and diffusion
of NPM, and Political neutrality.”

**Diffusion of Administrative Reform**

The term of “innovation” has been used widely and ambiguously. General
dictionary definitions convey the sense of the introduction of change or the bringing in
of a new thing or novelty itself. Invention and innovation should be differentiated.
Invention is bringing into being something new, whereas innovation is bringing
something into use that has been not used before. The former process requires mostly
intellect; the latter (which is often equated with entrepreneurship) needs mostly
willpower. For Lowi, innovation is that part of the process of adaptation which is
“deliberate, self-conscious adaptation.” Then, “any pattern of successive adaptation of
a policy innovation can be called diffusion.”

Halligan distinguishes three types of diffusion. “First, there is the borrowing of
a broad direction or approach, where the influence centers on general concepts. Second,
there the situation where a more specific concept is taken on without regard to close
correspondence of detail. Third, there is the case of an innovation being replicated in
fairly precise detail). Halligan also points out that the distinction between management
innovation and policy innovation should be clarified.

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23 Aucion, ibid., s.134.
   and Administration, 10 (2), p.109.
   Spring p.8.
   Review, 71, No. 2:441.
   Toonen Civil Service System: In Comparative System, Indiana University Press, Bloomington
   & Indianapolis, p.290.
Role of Communication in Diffusion of Innovation

Hill\(^{30}\) argues that adopting a generalized overview of the communication net, the following elements of diffusion can be identified. First, a functioning political institution (ombudsman example), the source, actively or passively emits messages about itself. Secondly, the transmitter or foreign inducer decodes those messages and encodes a signal. Thirdly, having been processed through a variety of political channels, the signal encounters the network’s fourth element, the receiver (host country), which selectively interprets (innovates) or decodes the signal and encodes or prepares to act on it. Finally, the receiver’s message constitutes the response, which, if the communication process was successful, becomes a new political institution and a potential source for future transmissions. This model’s primary departure from Lasswell’s\(^{31}\) useful early formulation, ‘who says what, in which channel, to whom, with what effect?’ Of course, in either the transmitter or the receiver the signal may undergo substantial alteration due to encoding or decoding or the intentional modulations. Also, distortion may occur through the introduction of noise at any point especially in the channel. Rogers and Shoemaker\(^{32}\) also see the communication as essential for social change. They see three stages for social change: invention, diffusion, and consequence.

Consequences of innovation

Consequences are the changes that occur with in a social system as a result of the adoption or rejection of innovation. There are three classifications of consequences:\(^{33}\)

a. Functional versus dysfunctional consequences, depends on the effect of an innovation in a social system are desirable or undesirable.

b. Direct versus indirect consequences, depend on whether the change in the social system occurs immediate response to the innovation or as result of the direct consequences of an innovation.

c. Manifest versus latent consequences, depending whether the changes are recognized and intended by the social system or not.

Rogers & Shoemaker states that “Crucial elements in the diffusion of new ideas are (1) the innovation (2) which is communicated through certain channels (3) over time (4) among the members of a social system.”\(^{34}\) Some others add acceptance, social


\(^{33}\) Rogers & Shoemaker, Ibid., p.17.

\(^{34}\) Rogers & Shoemaker, Ibid., p.18.
structure and given system of values or culture, which eases our job to apply this model to diffusion of administrative reform.

**Strategies for Diffusion of Administrative Reforms**

The ‘one size fits all’ perspective on administrative reform is in large part a product of diffusion and policy transfers. The ideas of new public management have become the gold standard for administrative reform around the world. Most of these ideas for reform are based implicitly on the assumption that government will function better if it is managed more as if it were a private sector organization guided by the market, instead of by the hierarchy. In order to achieve better result in public sector, governments should run like-business. Since the mid 1970s, governments have been increasingly concerned with adapting and developing structures and values of the civil service that will achieve greater efficiency, and more responsive and flexible service. In terms of success on civil service reform “the civil service must be a part of the international and national change process. For governments to succeed, the civil service should be at the forefront of the national change process- guiding, initiating, innovating and managing change.”

Nuernberg gives strategic advises on administrative reform transferring. There are three critical requirements under adaptation (of reform) process. One is that countries be able to choose appropriate mechanisms for their particular circumstances, selecting from a menu that is presented in a comparative framework, neutrally demonstrating the pros and cons of different options. The second requirement is to balance this neutral presentation of options with the need to ensure, to the degree possible, that reforming governments not install obsolete systems and inflexible structures that instead of putting the state in the mainstream of twenty-first century modernizing trends, will exert a drag on efforts to move government toward the cutting edge of administrative development. The third requirement of the administrative transition is that countries embark on a course toward smart government meaning that finding the best, most strategic way to carry out essential tasks by leveraging scarce skills and money, possibly through creative technology applications or inventive management solutions.

In final analysis, no single formula would work for every country; rather, the emphasis would have to be on developing policies tailored for specific countries and regions. Nonetheless, an exchange of experience was an excellent starting point, as each

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36 Hood, Ibid.
37 Peters, Ibid.
38 Kaul, Ibid.
39 Kaul, Ibid., p.150.
region has valuable lesson to offer. The exact recipe would vary from country to
country, reflecting diverse starting points and differences among countries, such as in
culture. Peters emphasizes importance of culture on transferring policies especially on
transferability of administrative reforms.

Lessons from Experience

How do public management ideas spread between countries? Another matter
deserving further analysis is how ideas get filtered out or modified in the process of
international transmission (How, for example, has the New Public Management model
become so well known around the world in recent times?). Lessons are traveling across
the Pacific in both directions. Australia and New Zealand are no longer mere importers
of public sector ideas; they have acted as the laboratories to test new reforms, and acted
as shining examples that other countries can examine. “While global concern exist about
the nature of civil service reforms, there is no unique solution or approach” says Kaul. He
draws some lessons from Commonwealth countries’ administrative reforms and
recommends “each country needs to identify its priorities according to local
circumstances drawing upon from other countries experiences and look at achievements
and implications.”

The cluster of reform ideas dominant in international discourse during the
1980s provided a global diagnosis and a standard medicine for the ills of the public
sector around the globe. It was suggested that the medicine would have beneficial
effects whether used in established democracies, in the former Warsaw Pact countries or
in third world, less developed countries. Trusts of market and managerialism (or so
called New Public Management) were the key aspect of the doctrine. The old public
administration emphasizing due process and rules was declared old-fashioned and
dysfunctional. Reformers advocated replacing old public administration with new
public management focusing on goals and results and getting lessons from private sector
techniques in public sector reform. These ideas are primarily developed in the Anglo-
American context, and diffused by international organizations such as OECD, IMF, and
World Bank.

The ideas of reform have served as a relatively common stimulus to which the
countries have responded, and the responses provide valuable insight into their
administrative and political systems. Most of the examples of reforms provided in text
books are derived from the Anglo-American parts of the world, but similar changes are
being implemented in other developed, developing, and less-developed countries. The
Anglo-American countries have been home to much of the advocacy of free enterprise

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41 Wallace, L. (1997), Deepening Structural Reform Lessons from Asia, International Monetary
42 Peters, Ibid.
43 Kaul, Ibid.
44 Kaul, Ibid., p.140.
and the market while the continental Europe has opted for a more restrained form of mixed-economy welfare state even when conservative political parties have been in power. Governments in Anglo-American countries have been more subject to influence from private-management consultants and other purveyors of reform ideas. Many of the reform techniques, such as TQM and strategic planning, have been imported directly from the private sector into government. Even as in the United Kingdom, government is more closed to outsider, conservative governments have become willing to use talent from the private sector.46

Japanese Administrative Reform: The Paradox of Success

How the international model base on Anglo-American models and assumptions succeeded in a context such as Japan? As seemingly un-Anglo-American and environment and institutional settings, Japan’s administrative reform experiences present some paradoxes. “This is not a country that would seem fertile ground for the sowing or reaping of a major administrative reform in the 1980s. Why did it become so? Muramatsu and Krauss47 attempt to show that Japan’s experience is nonetheless quite explicable and the result of Japan’s political and business elite’s’ ability to skillfully use ‘organizational capabilities to stabilize attention, mobilize resources and to cope with resistance, through the linking of several historical, political, and institutional learning experiences.” The suggest to success for administrative reform, political change, if needed, had to occur before the capabilities were in place to successfully implement the reform, the skillful use of those capabilities was the result of institutional learning (organizational memory), primarily by the trial and error.

The welfare state and its supposed failures had not had a long history in Japan. Japan seemingly had no performance crisis creating sudden and intense dissatisfaction with the state. There was no objective crisis concerning the size or burden of government per se. “The Reagan-Thatcher ‘revolution was initiated by an elected mandate for change to deconstruct the welfare state. Yet in Japan the same party that had governed the country uninterruptedly since 1955 and had presided over the construction of major welfare programs in the 1970s also initiated and carried out the administrative reforms of the 1980s.”48

Imitation and Innovation in Japanese Administrative Reform

Japan’s historical predilection has been to adapt practices developed elsewhere to the unique requirements of Japanese society. Where cross-societal organizational emulation is concerned, the distinction between copying and inventing, between imitation and innovation, are false dichotomies; the successful imitation of foreign

organizational patterns requires innovation. All organizations must draw on the surrounding environment for resources and must respond to the external demand for their products or services. Since the environment in which the organizational model was anchored in its original setting will inevitably differ from one to which it is transplanted, even the most assiduous emulation will result in alterations of the original patterns to adjust them to their new context, and changes in the environment to make it a more favorable setting for the emerging organization. Some of those changes are deliberate, some are unintended, and virtually all will have unforeseen consequences. For some organizations, the original model will continue to provide a blueprint for development; for others, the original model will quickly lose ground to more powerful influences in the immediate environment. 49 “While there certainly are those who consciously innovate, there are those who, in their imperfect attempts to imitate others, unconsciously innovate by unwittingly acquiring some unexpected or unsought unique attributes which under the prevailing circumstances prove partly responsible for the success. Others, in turn, will attempt to copy the uniqueness, and the innovation-imitation process continues.” 50 Departures from a foreign model are a subcategory of innovations, and they can be either unintended or deliberate.

Wright and Sakurai 51 explain administrative reform in Japan with three main important aspects of administrative reform: ideas, institutions, (and role of) individuals. Administrative reform in Japan was timely, an idea whose time had come. “As an idea, administrative reform in Japan rested on an understanding and an acceptance of a broad historically legitimate role for public bureaucracy and public administration.” Japan’s parliamentary system with a strong Prime Minister helped on implementation of administrative reforms. Personalities and roles of Prime Ministers and also heads of the Provisional Administrative Reform Committees were also helpful to attract the public support, and acceptance of the administrative reforms. For example, Prime Minister Nakosane and Mr. Doko, Honorary Chairman of the Federation of Japanese Economic Organizations, played very important role on Japanese administrative reforms in 1980s. “Government agencies, for their part, have tended consistently to avoid reform or at least to maintain the status quo. Furthermore, the individual agencies of Japan have formed coalition of vested interests together with Diet members and interest groups, which might be called ‘iron-triangle.’ Yet, since government agencies are not sufficiently autonomous to reject reform outright in Japan, they accept policy change, instead of


**Political Structure and Japanese Public Administration**

The meaning, content, and actions of administrative reform can be understood better with a grasp of the broader political context and system within which this policy emerged. Japan has a parliamentary system is in some respect similar to that of the UK. The Cabinet is the executive branch, headed by the Prime Minister and composed of (21) Ministers of State who are members of and are collectively responsible to the Diet (a two-house legislative branch). The powerful role of executive branch in Japanese administration should be noted. The formal and informal power of the Prime Minister, the Cabinet, and individual ministries is a fact of Japanese public administration. Liberal Democratic Party (LDP) has controlled the Diet and the executive branch for more than four decades. That fact was important for successfully implementation of Japanese administrative reform in 1980s. Bureaucratic base for Japanese administrative reform is also important. Japan is known as “bureaucracy-led state.”\footnote{Pempel, T.J. (1992), Policy and Politics in Japan: Creative Conservatism, Temple University Press, Philadelphia; Wright &Sakura, Ibid.}

Party and political dynamics was very important for the creation of the Reform Commissions and Promotion Committees. In addition to that there were several objective forces present in Japan in the late 1970s that stimulated concerns about need for administrative reform. One was simply the growth or expansion of the government. Widespread perception of political despondency was other reason. The decline in public trust and confidence in government were another important reason (government is a paradise of public offices)\footnote{Wright &Sakura, Ibid.}.

**Major Goals of the Japanese Administrative Reform**

The goals of the Administrative Reform Program in Japan were:

1. To create a simple and efficient public administration that is able to respond to the new age;
2. To realize a public administration which lets people act more on their own initiative;
3. To establish a public administration that is open to and trusted by people;
4. To provide people with high-quality administrative services;

The government will put forward administrative reform in a planned manner during this century, in accordance with the target dates set out below. The government aims to create a public administration that is truly for the people by trimming the administration, setting out clearer rules and making the administration more open.

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\footnote{Pempel, T.J. (1992), Policy and Politics in Japan: Creative Conservatism, Temple University Press, Philadelphia; Wright &Sakura, Ibid.}
\footnote{Wright &Sakura, Ibid.}
Since the end of World War II, because of financial crises, experience of rampant inflation, continued conservative administration, and public antipathy toward heavy taxes, Japanese administration has been more strongly advocating smaller state.

Based on requests from both within Japan and abroad, the Recommendations of the Administrative Reform Committee on deregulation will be fully respected, and the Deregulation Action Program will be revised by the end of 1996 to promote deregulation in a planned manner. The Deregulation Action Program will be enhanced by: the addition of new areas subject to deregulation; the earlier implementation of those deregulation items yet to be implemented; and clarification of the contents of the items already incorporated. An Economic Structural Reform Stimulating Program (1996) will be steadily implemented and deregulatory measures will be taken at an early date even before the revision of the Deregulation Action Program.

The First Recommendations of the Committee for the Promotion of Decentralization will be fully respected and the necessary work will be initiated. Further recommendations are expected in the first half of the next year, and the government will promote decentralization in a comprehensive and planned manner in accordance with the provisions of Decentralization Promotion Law. Voluntary and independent administrative reform by local governments will be urged.

**Reorganization: Structural Change**

“The principle of decentralization is central to a deconcentration of power for it emphasizes the need for managers to take initiatives to get things accomplished and to achieve result. Decentralized structures are the means to these ends precisely because they require managers down the line to decide what needs to be done; in short, they force managers to manage operations and people rather than to administer processes and systems.”55 The Japanese government is about to embark on a sweeping reorganization of its ministries and agencies. This is to be a key element of administrative reform, one of six reform initiatives launched by Prime Minister Hashimoto Ryutaro. On December 3 1996, the Administrative Reform Council, an ad hoc panel headed by Hashimoto, unveiled its final report.

The cabinet responded with a resolution promising to accord the report the highest respect and set up a committee headed by the Prime Minister to prepare for the reorganization. The government at present has 21 ministries and agencies plus the Prime Minister’s Office. The council’s report, released in September, advocated slashing the number of ministries and agencies to 12, and the final report, which specified a deadline of January 2001 for the overhaul, reconfirmed this goal. Among the features of the planned changes, one is a strengthening of the functions of the Prime Minister’s Office, which is to be renamed the Cabinet Office, and another is an upgrading of the Environment Agency to a ministry. In the interest of simplifying the administration, a

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55 Aucion, Ibid., p.122.
system of “independent agencies” -quasi-governmental organs with a corporate character, modeled after the British system of executive agencies-is to be introduced.\textsuperscript{56}

**Historical Perspective to the Japanese Administrative Reform**

The First Provisional Administrative Reform Commission

Japanese administrative reform in the period of Post World War II is based around two major research commissions: the Provisional Administrative Research Commission, which was formed during the economic growth period (1961), and the Second Provisional Administrative Research Commission which was formed in 1981 based on the neo-liberalist movement of time. When Japanese GNP at 62 billions US $ level in 1962 (15=360 Yen), the First Provisional commission on Administrative Reform was established. This was the Japanese version of “the Hoover Commission” chaired by Mr. Kiichiro Sato, one of the most famous bankers, and consisted of 6 more distinguished members mostly from the private sector. 1996 Annual Report recommends the followings:

1. Better coordination among public organizations, especially between the Cabinet and Ministries.
2. Democratization of administration through strengthening the local autonomy.
3. Restraining the excessive expansion of public administration without failing to satisfy emerging need for new services.\textsuperscript{57}

The Second Provisional Administrative Reform Commission

When the GNP reached 1,127 billions US $level in 1981 (1$= 221 Yen), the Second Provisional Commission for Administrative Reform was established. Again this time, the Commission headed by Mr. Toshiro Doko, one of most influential industrialist and also the Honorable Chairman of the Japan Federation of economic Organizations, and consisted of 8 more distinguished members majority from private sector.\textsuperscript{58} It recommended, two years later in its final Report, major reforms as follows: Reform of central government organization, Reform of governmental organizations and public corporations, Reform of national and local relations and local public administration, Rationalization of the system of subsidies to local government and others, Reform of the public personnel system, Rationalization of the system of governmental permits and licenses, Rearm of budget, accounting, and public finance system, and Reform of the system of releasing administrative information, public administrative procedures and related matters to the public.

Glancing at the contents of these two reports, one can easily understand the reforms in general head “small and less costly government.” In the course of postwar


\textsuperscript{57} Wright &Sakura, Ibid.; Muramatsu & Naschold, Ibid.

\textsuperscript{58} Wright &Sakura, Ibid.; Muramatsu & Naschold, Ibid
economic development, every effort of the government, succeeded in establishing
equalized society, which was initially pursued by the New Constitution of 1946. The
tandem of “politicians’ reign” and “bureaucrats’ rule” 59 were so effective that such an
extraordinary society as roughly 90 percent of household could believe their belonging
to middle class.

Administrative Reform in 1990s

The Administrative Reform Committee formed in November 1996 is the third
comprehensive attempt at administrative reform. The chairman of the Administrative
Reform Committee is Prime Minister Ryutaro Hashimoto, and it is he who is in charge
of leading the reforms. The results of the administrative reform committee’s hearings
were released as a report on September 3rd 1997.

What is the goal of this administrative reform? According to the report, the goal
of this administrative reform is to fundamentally overhaul the present overgrown post
WW II administrative system, aiming to create a liberal and fair society, by creating a
more simplified, efficient, and transparent governmental administration. Which is very
similar with World Bank 1997 Development Report’s 60 objectives.

Specifically this means, a strengthening and drastic overhaul of the cabinet and
secretariat functions; and to achieve administrative comprehensively, strategically, and
mobility, a reorganization of the central ministries according to their administrative
goals. Thorough access to administrative information and accountability towards
citizens, policy assessment function increases, and the realization of a more open
administration. A thorough division of bureaucrat and civil duties by vastly decreasing
present responsibilities through the creation of an agencification system, thereby
simplifying administration, and making it more efficient. The report states that it is
necessary to come up with suitable ideas for appointing, and promoting civil servants, as
well as thinking about the way in which they retire. Also, “a thorough carrying out of the
abolishment and relaxation of regulations, entrusting to the private sector those duties
which should be entrusted, and lessening the amount of influence that the national
government has in local governmental affairs,” are listed as the main premises for
administrative reform. 61

The type of administrative reform that Japanese administration is hoping for is
a system which is transparent and where the participation of citizens is guaranteed. In the
Administrative Reform Committee’s Report, the second specific recommendation states
that, “thorough access to administrative information and accountability towards citizens,
policy assessment function increases, and the realization of a more open administration”
is necessary to promote citizen participation.

The Hashimoto Administrative Reform, like that of the Second Provisional
Administrative Research Commission, is thought to be based on a neo-liberalist

59 Johnson, C. (1982), MITI and the Japanese Miracle: the Growth of Industrial Policy, 1925-1075,

60 Ibid.

611996 Annual Report, Ibid.
platform. There is, however, an opinion that it is not as clear as the Second Provisional Administrative Research Commission. The reason being that this time, administrative reform is taking place due to bureaucrat bashing. This reform can be seen as a way to overcome the sectionalism, which exists between ministerial bureaucrats. This suggestion is said to be one of the biggest problems facing the Hashimoto administrative reform.

To be more specific, this Program is constructed based on the four objectives which focus on the relationship between the people and the public administration: To create a simple and efficient public administration that is able to respond to a new age; To realize a public administration which lets people act more on their own initiative; To establish a public administration that is open to and trusted by the people; To provide people with high-quality administrative services.\(^{62}\)

To conclude the historical perspective to Japanese administrative reform, administrative reform has addressed five areas: Decentralism (expenditure and employment reductions), Deregulation (simplification of procedures for licenses, permits, etc.), Devolution of functions and authority from the central to local government, Privatization, or abolition of government organizations, and The reorganization of central staff and ministerial agencies of the national government. Since early 1981, the administrative reform initiative has been pursued actively on a sustained basis. For example, the Provisional Commission on Administrative Reform operated during 1981-1983 and produced five reports covering a wide range of issues. The Administrative Reform Promotion Committee urged the implementation of reforms. According to Wright and Sakurai Japanese administrative reform is much wider than the U.S. reorganization in its focus, administrative reform has achieved noteworthy short-run results, and like the U.S. change efforts, administrative reform appeals to a mood of optimism, directionality, and control.\(^{63}\)

### Japanese Civil Service Reform

The Allied Occupation played a key role not only in reconstructing devastated economy but also in reorganizing the whole government system. Regarding civil service reform, it cannot be denied the performance of the Personnel Advisory Mission, headed by Mr. Blaine Hoover, a famous American civil service reformer during 1920-1930s. After promulgating the new constitution (1946, the National Public Service Law was enacted in 1947. “Civil service reform had been considered as a chronic issue so that the cabinet made the first step, by its own discretion, toward establishing democratic post-war public service system.”\(^{64}\) The Hoover Mission was originally invited by the Minister of Finance in order to fix salary and allowance system. While the Treasury tried

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\(^{62}\) 1996 Annual Report, Ibid.
\(^{63}\) Wright & Sakurai. Ibid.; Muramatsu & Naschold, Ibid.
\(^{64}\) Tashiro, K. (1997), Comparative Study of Japanese Civil Service, Paper presented at Conference on Comparative Civil Service Systems, University of Indiana Bloomington, Indiana April 8, p. 27.
only to introduce salary related Federal system for enhancing efficiency and morale of
government personnel, the response of the Allied Headquarters was of more
comprehensive civil service reform.63

After enacting the Civil Service Japanese Government formed the National
personnel Administration (NPA). NPA, The central personnel agency of the Japanese
Government, was empowered to ‘administer matters concerning recommendations for
improvement in personnel administration as well as in remuneration and other
conditions of work: First central entrance examination for public employment conducted
in 1948, new pay system introduced, NPA is solely responsible all the issues related with
pay system. The examination system is transplanted to the local governments and other
public institutions. Tashiro mentions that there were at least fifty revisions on the Law,
and he sees the two are very important: “one was made in response to ILO Convention
87 on employee organizations in 1965. The second was the introduction of compulsory
retirement system in 1981 at the fixed age of 60.”66

For almost three decades Japanese government (s) tried to keep a small and
cheap government by restricting the civil service against the heavy economic pressures.
There was a well-tuned chorus of the people for asking civil service to keep pace with
productivity improvement in the private sector. In order to survive in the world market,
Japanese industry has been striving for every effort. So that even the civil service had to
make every endeavor to respond to this demand.67 Japanese Government was successful
in terms of keeping civil service small.

CONCLUSION

The range and variation of transnational inducements to administrative reform -
each with its attendant advantages and disadvantages - suggest that there may be many
ways to ‘lead the horse to water’ but there is no magic bullet to make him drink.
Questions about how and when to apply external leverage or offer incentives and about
when to let reform ‘supply’ or ‘demand’ prevail need to be posed keeping in mind both
the complexities of domestic political economy environments as well as the availability
and flexibility of transnational resource endowments. To the degree that these factors
can be brought together to maximize government ownership and motivation for
undertaking administrative reforms and to enhance a country’s capacity to carry out such
reforms, the likelihood of a successful, sustained administrative transformation program
can be achieved (Nunberg, 1997).

High level political leaders should sphere the administrative reform programs.
It is inevitable necessity of the successful administrative reform effort. In Japan case, the
administrative reform programs formulated and advertised by Japanese prime
Minister and he headed the administrative reform committees. Stability also eases the job of
administrative reformers. Successful administrative reform policies should be

65 ibid.
66 ibid.
67 ibid.
implemented and monitored by an outside agency. It is important to institutionalize administrative reform. Enough discretionary power should be given to the agencies in order to successfully implement administrative reforms. In terms of administrative reform fairness and equality should be the main criterion to treat the government agencies. This may help to eliminate resistance, against the administrative reform from the bureaucracy.

Administrative reform must rest on a system perspective rather than a piecemeal approach to reshaping contemporary institutions and administrative behavior. The systems view considers people, organizations, process, interactions and relevant external environment in the analysis and prescriptions for change. This may be the only means available to imitator societies to provide complete and integral part to building administrative capacity and generating indigenous, exploratory theories and practices of management. Such theories and practices cannot be imitative, but must be independently evolving, innovative (converging or diverging from Western theories and practices) as their objectives and criteria dictate.

If the Japan case is indicative of the wider international experience of public sector reform, it suggests that the origins of ideas of public administrative reform and policies to which they give rise are multiple and diverse. It is rare for a set of reforms to be taken straight from a management textbook or transplanted directly from another country. The process is much more complex and dynamic than this. Ideas are being continuously generated, rediscovered, refined, rejected, borrowed, and transferred across boundaries. And, no single formula would work for every country, rather the ideas should tailored for specific country and regions, as Japan did it successfully. Imitation is not enough itself, Innovation is also vital for transferability of administrative reform.

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