

**PUBLIC
ADMINISTRATION
HANDBOOK OF JAPAN**

How Sustainable Democratic Governance is Enabled

Digitized First Edition

**Yuko Kaneko
Koichi Miyoshi
Itoko Suzuki**

Editors

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Foreword

This book offers an insightful and penetrating overview, in English, of the administrative system and policy process of Japan from both the generalized and specialized points of view. It provides the modus operandi of Japanese governance and depicts the society in which public administration holds a pivotal role in the management of social affairs.

There is a near consensus that Japan remains an administrative state. It is one thing to say that Japan is "the administrative state," however, and another to say how effective it is. But no one knows how it is operating and how it helps people meet their needs and contributes to the intermeshed international world with how much of the costs in terms both of money and social burdens.

One negative implication of the administrative state is its almost self-sufficient closedness toward outside world, resulting in complacency. However, nothing could be further from the truth. We are living in a 'shrinking world', where we interact with other people and share a common destiny and future. Because we cannot escape this fact, we must cooperate with other peoples economically, culturally and environmentally with a clear recognition of our responsibilities toward one another. If there still remains any role for a state of any country to play, it is to assume responsibilities that lay beyond the reach of private citizens or organizations. The more connected the world is, the more indispensable is the role of the state, administrative or not, to negotiate and cooperate to solve global problems. It is ugly for a state to impose her own national interest upon others. But it would be legitimately allowed to take into the consideration the burdens and costs of cooperation imposed upon her own people.

Another component of the administrative state is the indispensable role played by bureaucracy. The origin of the Japanese bureaucracy dates back to 1869 when six modern ministries were established. This was accompanied by the pay system for higher bureaucrats according to the matrix of ranks, titles à la mode of rank-in-person in 1869, by the rule of discipline for bureaucrats in 1882, and by the institution of a special recruitment system for higher bureaucrats in 1888. At first, politicians prevailed over bureaucrats but proved themselves to be subservient after the bureaucracy was firmly established. The role of politicians was exacerbated by the introduction of economic controls and regulations during the 1940s of the World War II and the following Reconstruction. Though an overhaul of bureaucracy was attempted through the introduction of the classification system based on the principle of rank-in-position common in the American Continent, the Japanese bureaucracy was so recalcitrant as to remain intact. Rather recently, Prime Ministers Hashimoto and Koizumi attempted, or demonstrated to attempt, to reverse this tendency but in vain.

It was only after the Democratic Party of Japan came into power in the autumn of 2009 that real power over bureaucracy was given to ministers, political vice ministers and other political appointees. A slogan in the election manifesto of the Democratic Party was a misleading "exodus from bureaucratic rule." This would imply a coup de grâce of the administrative state, implicating that we can afford to dispense with bureaucrats. This might have debilitating effects upon the morale of the innocent civil servants who are already under the pressure of the vigilant views and clamorous voices of the mass-media and citizens. No government of a state, irrespective of being administrative or not, can work without bureaucrats or civil servants.

The real problem is how politicians show the direction of policy or policies in the framework of which bureaucrats must work and not to demoralize them with a threat of termination. I might say it is not bureaucrats but politicians who have neglected their proper duties and responsibilities. No one can deny the fact that under the bureaucratic rule, in-transparency has been so prevalent as to prevent us from understanding the policy processes including budgeting and what outcomes might come there-from. Much wastefulness and uselessness might have been heaped upon.

In November 2009, the Democratic Party Government's Revitalization Unit consisting both of

parliamentarians and civilian consultants attempted screening to slash some trillion yens off in advance of the formal budget-making. It is a welcome attempt. For these kinds of attempt to be more credible and fruitful, however, it is a sine qua non to have first-hand intimate knowledge both of the administrative system and policy-making processes.

This book is originally intended for the use of non-Japanese readers, especially those involved with JICA programs and other ODA tutorial classes. But we Japanese must share the same knowledge which we badly need in order to overcome our own problems. The authors of this book are well-distinguished scholars in their respective fields. I appreciate their efforts to write such enlightening and fascinating papers, especially considering the difficulties they had as to the access to materials and information.

Professor Emeritus of the Waseda University
And of the Chinese National School of Public Administration

Hiroimitsu Kataoka

Preface

There has been a longstanding need for an English textbook on Japan's public administration in order for non-Japanese to better grasp a basic foundation of the country's governance. This book attempts to explain the role of Japan's public administration in democratic governance for the continued development of the country while responding to changing global economic and social circumstances.

The book is prepared primarily for those who may be studying in Japan, or enrolled in international cooperation programmes of studies and training. It is also intended to be widely used in the training and education programmes on Japan's governance in various sectors. Therefore, it tries to provide basic knowledge and information on Japan's public administration and governance. The book is published in a handbook form so that busy practitioners, students, and researchers can use it as reference material on a selected subject as well.

This book focuses on the public policy making processes and the unique dominance of public administration in the governance system that have been established throughout both the socio-economic and political dynamics, and administrative reforms in the post-war period of Japan. Several case studies on selected public policies and their administration are also included.

The first edition was printed as a preliminary version to be soon updated with necessary revisions and additional information, as a most radical change in governance and public administration was anticipated to start, right after the finish of the write ups for the first edition in August 2009. The new political regime organized by the Democratic Party in mid-September 2009, after the sweeping victory of the Party in the general election, was expected to initiate, following the election pledges, a number of policy and administrative changes that might drastically alter the long established public policy process and administration explained in the first printed edition. While the planned update may portray more accurately the current system of public administration and governance of Japan, the first edition was issued as prepared. However, the promised changes did not hitherto occur for various reasons that need to be examined in the updated edition. The basic tenets of the long practice of Japan's public administration remained unchanged as of now.

This digitized version is issued for wider circulation and better outreach with the same objective of the first printed edition only with minor corrections, as the updated version may take much longer than originally anticipated, particularly considering what happened lately in Japan. Above all, the 3.11 Great East Japan Earthquake that devastated the country required the government to focus on recovery and reconstruction rather than the promised changes. This most serious crisis in post-war history in Japan demanded the country's governance and public administration to strive for survival and renewal.

This digital version could not be possible without the cooperation of Ritsumeikan Asia Pacific University that published the original First Edition. Prof. Koichi Miyoshi of APU originated the idea of issuing an electronic version. Ms. Kumiko Mizobe of the APU's administrative staff took pains in assisting the editors, and liaising with the publisher.

A revised edition will need to be written to describe the renewed system of public administration and governance currently being planned by the government and under way. However, it takes time. Until then, the original intention of the first edition remains valid, and this digital circulation is offered for limited duration.

Itoko Suzuki
March 2012

Part One

Basics of Japan's Public Administration and Governance

Chapter 1. Overview of Institutions for Public Policy Making in Japan ¹

Itoko Suzuki and Yuko Kaneko

1. Introduction: Main Thrusts

Despite the recent frequent reshuffles of political leadership, Japan has survived as a stable democracy with a solid economy even in times of global economic and monetary crises. Its democratic governance has sustained in this “administrative state,” responding to many emerging necessities by constantly renovating its public administration. On this Japan’s “constantly renovating administrative state” there are variant portraits drawn by scholars and practitioners. Japanese public administration experts tend to be rather critical of the way this administrative state was governed. Quite a few non-Japanese experts tend to draw the case of Japan’s administrative state as a successful one of development. A problem for non-Japanese who were eager to understand the case of Japan’s administrative state was a lack of information and knowledge on the Japan’s case written by the Japanese experts in English.

These years in Japan, citizens having experienced within a few years frequent Cabinet reshuffles (Prime Ministers Abe, Fukuda, and Aso, as of 1 September 2009, each less than one year in office), were generally unenthusiastic about the absence of political leadership because they felt their country was basically safe, trusting in the capacity of their public administration and governance system whoever heading the government. Cabinet ministers including prime ministers might have felt in the end in vain for making efforts in exercising their responsibilities; and both politicians and the citizens have been safely ‘fed-up’ with the public administration and governance of the country and kept feeling in vain. Japanese people had for long been in a state of “in vain” and probably too vain to show off or in no confidence to explain outsiders how and what we are. This state of the feeling widely infiltrated the country for some time despite the economic crisis and social anxiety. However, international community cannot tolerate the non-face showing as a partner of cooperation. Lack of the clear message or the explanatory information has made the non-Japanese difficult to understand this country or its people. Nor the Japanese society or the people cannot stay in stagnation in severe economic crises and deepening social gaps which the political leadership could not change. Whether the citizens can continue to consider this state of the nation is still their advantage or a loss can be found in the end of August 2009 general election. This 2009 general election became an opportune time for the Japanese citizens to re-think where this country should be going in their own best interest.

Japan has long been able to deliver international cooperation through ODA and the government cooperation agency, JICA as well as other governmental and non-governmental organizations. Until 2000, Japan was even No. 1 country in ODA delivery and No.2 in the maintenance of the United Nations. Although the country’s status of the ODA delivery is declining, Japan is still providing substantial international cooperation, as now the No. 5 ODA delivery country, and has been receiving a number of non-Japanese from overseas who are curious to learn its society and experiences of development.

¹ This chapter was prepared before the general election of 30 August 2009.

This Part I, Chapter 1 of the booklet offers to those non-Japanese readers (limited in English language) an overview of the basic tenets of public administration in the governance system of Japan, particularly reviewing the dynamics in the public policy development process and the role of elite bureaucrats played in it. This Chapter will concentrate in some selective but hopefully useful basic information to understand the major features of Japan's public administration system that played in the governance and the development in the post-war period of this country. These features are explained in the following subsections: Role of the state, governance, public administration in the globalizing world (section 2); Legislative cabinet and public administration in governance (section 3); Dynamics in public policy process (section 4); Higher civil service creating public policy elites (section 5); Local government relationships with the central government (section 6) ; Conclusions, as postscripts (section 7). The Chapter 1 should be read together with the Chapter 2 on major administrative reforms. Since the Chapter 2 will describe how Japan as an administrative state has been enabled to sustain a stable democratic nation by renovating the public administration, readers may be able to enhance the understanding of the mechanism of Japan's public policy process that is the focus of this Chapter.

2. Role of the State, Governance, Public Administration in the Globalizing World

Like in many other countries, globalization has most acutely impacted on the state governance of Japan. The state role is to manage the organizational, human, financial and technological resources of the country. The role of the state must constantly be questioned, as to what is dictating the state at the time and where it is going in the future. Long and short term goal set of the state is the foundation for the state public policy process. State public administration needs to implement the state goals and must play the role dictated by the state governance of the time.

In Japan, it was the Meiji Restoration that took place only a hundred forty or so years ago to open the country to the international community. It signified a drastic change in the state governance system restoring the governing authority to the Emperor from some 260 years of continuous reign of the Tokugawa War Lord regime that kept the country closed from overseas. Since the Meiji Restoration that started in the 1860s, the country tried hard for catching up with the West European developed nations and the United States by militarization and economic development (so-called *Fukoku-Kyousei*) as the state goals. The country achieved the status in the world after the World War I ended, as one of the most developed countries, occupying a permanent seat of the League Council in the League of the Nations, a predecessor of the United Nations.

Japan's defeat in the World War II in 1945 has brought the opportunities to adopt the democratic governance by revoking the militarism from the national goal. Reconstruction from the devastation of the war became the national goal. A series of reforms, social, political and administrative, were organized since. The country regained the independence in 1952. Governance and public administration reforms were programmed to conform to the principles outlined in the new democratic constitution. After the attainment of the independence in 1952, the country started another series of reforms for sustaining democratic governance and economic development, bringing in the social and economic order in Japan. In 1962 the government undertook for the first time a comprehensive major administrative reform investigation in accordance with the state goal of accelerated economic growth. By the end of 1960s, Japan was recognized again as a developed country (by IMF and OECD). The primary state goal since the end of the World War II continued to concentrate in the economic development for the stability of the democratic governance.

The post war state goal of economic development was continuously pursued by strong collaborations between economic actors and public administration with the latter as the leading player in the policy development. Public administration kept its role by way of constantly renovating itself through organizing administrative reforms. The administrative reforms have become gradually embedded to the public administration system. The

public administration role has been enabled due to the long reigned post-war democratic regimes of a same political group despite many factions derived out of the group but at least sharing the same goal of economic development. The major characteristics of Japan's public administration which has been always the dominant part in the governance system worked positively, to attain the state goal with the overall stability and continuity of Japan's democratic state governance system. Of course many critics draw attention on the negative aspects of the major characteristics of the country's public administration system. This chapter tries to illustrate some of these characteristics that shaped Japan's public policy process in the context of the role of the state, and governance in a globalizing world.

The deepening globalization or often called 'thick' globalization (Joseph Nye, 1999) has been addressed in the role of the state and governance arguments. While at first the globalization was thought to grossly diminish the role of the state, on the contrary the states survived in the world. The globalization did not diminish the role of the state. Many information, communication, transportation and other technological innovations created a borderless world quickly that brought a number of global issues including economic, environmental, marketization, decentralization, social exclusions, or other social problems, that confronted the capacity of the state governance and public administration. So far, Japan's 'governance and public administration' was able to cope with the impact of the globalization by renovating public administration system together with many economic and social reforms.

A clear perspective of globalization is the world integration and disintegration. The integration is toward global and regional governance seeking a new order that is under exploration or experimentation based on international cooperation. Disintegration may have impacted on the extensive decentralization and privatization movements in many states including Japan.

Deepening of globalization disabled one state to manage alone, even domestic regulatory administration, and consequently cooperation of multiple countries and setting up of international standards become significantly important. Now is the time ever more needed in the world for such cooperation or even coordinated actions in coping with the global financial crises or human security problems like swine flue, monetary crises or global warming. The international standards of actions, international regulatory administration that are essential for such global issues, require the building of comparable capacities of the states in the world, in both developed and developing countries.

Building international standards in many areas need (in each area) development of capacities of state public administration. International cooperation including the exchange of knowledge, information and innovations has thus become essential for the state and the world community. International cooperation for developing capacities of state public administration, including knowledge sharing, has become the part of the agenda in public administration of every state and international community. For the purpose, ODAs and international institutions (UN, World Bank, IMF, G-7, G-8, G-20 or WHO or EU or ASEAN, to name it) (The United Nations Public Administration Programme of the Department of Economic and Social Affairs, World Public Sector Report: Globalization and the State, 2001) increased the capacity development and training programmes of learning public administration and governance of best practices.

In the context of learning public administration system for better governance of a state, the meaning of globalization can be understood as the increasing level of economic and social interdependence in the global community that has been affecting national policy-making processes in three ways:

- (1) It calls for a certain transfer of policy decisions to the international level;
- (2) It calls for a certain transfer of policy decisions and implementation to the local levels of government;
- (3) It calls for increasing international cooperation

Table1. Actors/Levels of Governance ²

Actors Levels	Private Sector orgs.	Governmental Orgs.	Non-Governmental/ Non-Profit Orgs.
Inter-national/ Trans-national/ Global	TNCs/ Firms	IGOs States (Central/local Gov.)	IO/NGOs/NPOs Civil Society Orgs/ Individual citizens/media/ science and research orgs.
National	IO/TNCs Firms	States (Central Gov.) IGOs	IO/NGOs/NPOs NGOs/NPOs/Civil Society orgs./ Individual citizens/media/ scientists/research institutes
Sub-national/ Local	TNCs Firms	IGOs/ Local governments Central Gov.	NGOs/NPOs Civil Society orgs. Individual citizens/media

Globalization in fact truly entails the multi-level decision-making processes; national, sub-national and inter-national. At all levels, system of governance requires cooperation among various actors of a society. The need for cooperation and regulation at all levels and the global issues increased the complexities in transnational and central-local relations. Global issues and the current world demands are becoming increasingly multi-issue and multi-level oriented. Thus the state must take multi-issue-oriented governance and requires cooperation among actors and levels of governance in which the state remains the key responsible actor in both the domestic and international levels.

The role of the state did not diminish and has continued to be the linking pin of all the actors and levels of governance. Public administration thus needs to take the renewed role in the state governance at time of deepening globalization (UN /ECOSOC, globalization and governance, 2000). The arguments on the role of the state and the impact of globalization have flourished not only in Japan but also in the international community of the 21st century. Public administration of the state has adapted to the changing needs arisen from the globalization by organizing reforms in many countries. The 21st century is often called the century of administrative reforms.

As stated earlier, in Japan, the very distinctive features of public administration that enabled the pursuit of the state goal in the continued democratic governance have been the target of the criticism. In the August 2009 general election, majority of the Japanese citizens chose the Democratic Party over the long-reigned Liberal Democratic Party (LDP). This implies a desire of the Japanese citizens a drastic change in the state governance system. The unique social circumstances in Japan, such as the ageing population and lowering birth-rate, and other major social security issues, in addition to the world common “thickening globalization” issues, are also requiring the state governance to change.

² Adapted from Keohane, Robert O. and Nye, Joseph S. Jr., 2000, pp.13

3. Legislative Cabinet and Public Administration in Governance

3.1 Four selected major features of public administration in Japan

Following four features are selected in the Part I to explain the major characteristics of Japan's public administration and governance:

- (1) Public policy process, particularly the roles played by the higher civil servants (elite bureaucrats) vis. a. vis. the political leaders both in legislative and executive branches;
- (2) Mobilization of social resources by the higher civil service and the resultant ministerial bureaucratic sectionalism making the coordinated and accountable public administration difficult;
- (3) Close relationships and interdependence of local and central governance;
- (4) Administrative reforms embedded in the public administration for continuation of the stable democratic governance and state goal pursuance.

Post war Japan has quickly acquired the democratic and administrative state system. In an administrative state the executive branch of the government (Cabinet in Japan, and the President Office in the United States) focuses on the general interests of the society, as compared to the centrifugal forces in the Parliament. The more the role of the state increases, the more important the role of the executive office becomes for articulating diverse and various interests of the society. This section will first explain the basic governance system of Japan as the background for understanding above-cited major features of Japan's public administration that will be individually dealt in the subsequent sections.

3.2 Governance system arrangement:

In Japan, state governance authorities are arranged in the post-war democracy, in three divisions: legislative, judiciary, and executive, similar to the British system. Japan does not proclaim in its Constitution a parliamentary monarchy like the case in the United Kingdom, although having the Emperor and royal household. According to the Japanese Constitution, the Emperor is a symbol of the state and the people of Japan without any political power. The Emperor appoints the Prime Minister as designated by the Parliament and attests the appointment and dismissal of Ministers of State. He promulgates laws, cabinet orders and treaties. But he cannot decline the Parliament decisions or make any comments. He plays the ceremonial role to open the parliamentary regular sessions, receives the credentials of foreign envoys. National government is headed by the Prime Minister who is the head of the legislative cabinet. Prime Minister is a member of the Parliament and the head of the winning political party in the general election for the House of Representatives (can be more than one political party like in the case of the multi-party formed cabinet as of July 2009).

In Japan, democratic governance means governance of the state in a multi-political party system in legislature of both central and local levels and the governing by laws.

The current governing system was originally based at the time of Meiji Restoration largely upon the British legislative cabinet system with strong influence from the European continental civil law countries such as Germany and France. Many modifications were made during the post-war US occupation period by the influences from the US governing system, but the key governing framework of legislative cabinet system remained as reestablished in the current Constitution. Since the post-war independence of Japan that was recovered from the US occupation in 1952, the year when the San Francisco Treaty (Japan joined the United Nations in 1956 as the independent country) became effective, Japan's state governance has shaped its democratic system.

3.3 Legislative Authority

As for the legislative power, Japan's bi-camel Parliament is composed of the House of Representatives and the House of Councilors. The former consists of 480 members: 300 elected from single seat constituencies under the single member plurality system; 180 elected from eleven separate electoral blocs under the party list system of proportional representation. House of Councilors is composed of 242 members: 146 elected from 47 prefectural

constituencies by means of the single non-transferable vote; 96 elected by party list from a single national list. In the public policy process, laws are made in the Parliament. According to the Article 59 of the Constitution, a bill becomes a law on passage by both Houses, except as otherwise provided by the Constitution.

When the decisions in the House of Councilors are different from the ones in the House of Representatives, the bills can be re-submitted to the House of Representatives, and the decision made in the second time by the House of Representatives by two-thirds votes become the final decision for legislation. According to the Article 60 of the Constitution, the budget must first be submitted to the House of Representatives. Upon consideration of the budget, when the House of Councilors makes a decision different from that of the House of Representatives, or in the case of failure by the House of Councilors to take final action within thirty days, after the receipt of the budget passed by the House of Representatives, the decision of the House of Representatives shall be the decision of the Parliament.

As of August 2009, the government parties (Liberal Democratic Party and Komei Party) are not the majority parties in the House of Councilors. The Democratic Party that is the majority party of the House of Councilors but the major opposition party in the House of Representatives, often over-rides the decisions made in the House of Representatives (until end of August 2009). Thus the decision taking needed to take place in the House of Representatives for the second time for final adoption of the bills. This practice is often considered abnormal in Japan, but is in reality a procedure currently the case in several developed countries.

Moreover, the differences of the decisions taken in the two Houses portrayed clearer comparison to the citizens who watched the debates in the Parliament through the media. At least rigorous debates and clear differences among the political parties are exposed to the citizens who watch what is happening in the legislative process. On the other hand, decision taking is getting slow and sometimes becoming in stalemate. At least, more transparent explanation and debates inevitably has enabled a regain of the parliamentary authority, and certain decrease of behind the scene bureaucratic influence in the public policy process.

3. 4 Judicial Authority

Judicial Branch in Japan consists of several levels of courts, with the Supreme Court as the final judicial authority. A jury system has been recently introduced in Japan (as of spring 2009). In Japan, unlike the cases in the United States, administrative decisions have been generally accepted without protests by the civil society. Since many rules and regulations under the relevant laws are regulated by the public administration, individual cases were rarely brought to the court contest. Generally speaking, ordinary citizens have tried to avoid contesting in the courts any civil cases, as it is a commonly held notion that decent citizens do not have any relations with the court. Thus the number of lawyers per population is proportionately much less in Japan, compared to that in the U S where individualistic decisions on civil cases are without hesitation brought to the courts for decision. But these days more numbers of suits concerning the civil cases or even the decisions by the public administration are submitted for court decisions in Japan, as citizen's consciousness towards their own civil rights and to the public administration have been changed.

The judicial branch has independent authority on any judicial functions of the state. However, the executive branch also takes part in some judicial functions in such cases as the Fair Trade Commission which is an external organ of the Cabinet Office.

3. 5 Executive Authority

The executive branch, as the third independent authority, is organized in the form of Legislative Cabinet in Japan. The Cabinet is composed of the Prime Minister and Ministers of State. The Cabinet takes care of the business of the executive branch with its public administration arm. Cabinet functions are divided into and shared by the several organizations headed by the State Ministers. Cabinet is collectively responsible to the legislature that selects the Prime Minister who heads the Cabinet.

Organizationally, the current Japanese legislative cabinet is composed of one Cabinet Office and eleven Ministries and one commission, i.e. the National Public Safety Commission. These ministries are Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment, and Ministry of Defense. Cabinet Office and Cabinet Secretariat Office, both headed by the Prime Minister and assisted by the Chief Cabinet Secretary (Minister of State), are to coordinate the businesses of the executive branch. The Cabinet Secretariat Office plays a central role in policy coordination with the help of the Cabinet Office when necessary. Additional special issue-oriented Ministers of State are created by the Prime Minister in the Cabinet Office from time to time (the number differs by each regime within the legal limit).

Cabinet forms the government of which responsibilities include the following:

- Execution of the laws and cabinet orders
- Conduct of foreign affairs
- Conclusion of treaties (with the consent of the Parliament)
- Administration of the civil service
- Drafting of the budget (which must be adopted by the Parliament)
- Adoption of cabinet orders
- Organizing national policies
- Granting of general amnesty, special amnesty, and commutation of punishment, reprieve, and restoration of rights.
- Appointment of the associate justices of the Supreme court (except the Chief Justice, who is designated by the Prime Minister and formally appointed by the Emperor).

In 2001, 1 Office and 22 Ministries were reorganized into the 1 Cabinet Office and 10 Ministries and one Agency and one Commission by realigning the roles of the government. In 2007, the Ministry of Defense was established by reorganizing and upgrading the Defense Agency, resulting in 11 Ministries under the Cabinet.

3. 6 Relationships of the political leadership of the Cabinet and its public administration arm

Japan established since the Meiji Restoration, a highly hierarchical government, but with a strong compartmentalized bureaucracy based on each ministry. However for the integrity of the government, the Cabinet system outlined by the legal phrases in the current Constitution and the Cabinet law has been arranged as characterized as follows:

- (1) Its close ties with the Parliament as the highest organ of the state that guarantees the democratic governance and legislative supremacy;
- (2) The integration of the executive branch of the cabinet;
- (3) The higher authority of the Prime Minister than other cabinet ministers (compared to the pre-war system in which all the cabinet ministers had the same level authority with the Prime Minister);
- (4) Sharing by ministers of state of the governing responsibility (shared management) and their political superiority over administrative bureaucracies;

Japan's legislative cabinet system is similar to that of the UK system, but as its organizational and managerial framework has been influenced by the US administrative management system under the presidential system, Japan's legislative cabinet system has been somewhat different from that of the UK. One of the major differences was that several independent staff bureaus once existed as staff agencies such as previous Economic Planning Agency, and Administrative Management Agency were attached for some time to the Prime Minister's Office. Such organizational pattern of the staff functions represented the introduction of the US ideas of administrative

management. Japan's cabinet system was to some extent influenced by the US executive system in the post-war period (Ide, 1974). Nonetheless, these administrative staff functions were re-arranged from Economic Planning Agency, Science and Technology Agency, Land Agency, etc, in the Cabinet Office or merged into several Ministries, at time of the Hashimoto administrative reforms by early 2001.

Integration and coordination functions of the Cabinet by the leadership of Prime Minister with the Cabinet staff aide offices can be expected, while the ministerial sectionalism exercised by the ministerial bureaucracy has made such exercise difficult. These features are detailed in section 4 and 5. This section only surfaces the major issues in the Cabinet coordinating and staff aide function needed in the executive branch of the government, which has often become the agenda of administrative reforms, i. e., how to strengthen the institutional support to the Cabinet.

The Cabinet staff arms are not directly operating under the Cabinet. They are scattered in a few places, including the Cabinet Office, Cabinet Legislation Office and the Ministry of Finance as well as other line ministries. Firstly, directly attached to the Cabinet as staff aides are Cabinet Secretariat, Cabinet Legislation Bureau, and Cabinet Office. Secondly, the Prime Minister as the Minister in charge of the Cabinet Office has his own staff within the Cabinet Office. Thirdly, the Budget Bureau of the Ministry of Finance (which is a line ministry) actually prepares budgeting instead of the Cabinet. In terms of effectiveness of the Cabinet, these organizational arrangements have long been criticized but not fundamentally settled yet.

The Cabinet Secretariat (Office), the chief of which is the Chief Cabinet Secretary who is the Cabinet Minister and usually a close political party friend of the Prime Minister, is in charge of arrangement of agenda of cabinet meetings, planning, preparation and coordination of vital policy and political issues on behalf of the Prime Minister, research and opinion collection on policies to advise the Prime Minister and the Cabinet. The Cabinet Law was amended and enforced in 2001 in order for the Cabinet Secretariat to have substantial authorities to start the policy making process of the most crucial policy issues. Thus the current legal framework provides the Cabinet Secretariat sufficient power for vital policy decisions. Before the amendment, the role in the policy development of the Cabinet Secretariat was chiefly in the consultation. Cabinet Secretariat research arm possesses also limited capabilities as the line Ministries are better equipped as government think tanks on individual substantive issues. The line Ministries have concrete administrative functions and authorities based on the legislation, with which they can collect and accumulate necessary information that is indispensable for the policy decisions. Thus the decision made by each ministry had greater chance to be adopted in the cabinet meeting. Also in 2001, the Cabinet Office was established directly under the Cabinet with a higher status compared to the other Ministries. So the policy planning capabilities of the Cabinet Office have to some extent been improved to start decision making process under the leadership of the Prime Minister and his Cabinet.

As the economy became more complex, the Parliament and Courts had difficulty carrying out the regulatory functions demanded by the society. Thus, the executive branch of the government which had expertise and flexibility assumed greater role. The executive branch has now been increasingly accommodating the final decisions taken by the court, rather than contesting the court decisions, thus creating more citizen-oriented public administration. For instance such individual court cases as environmental oriented diseases and epidemic cases (leprosy, C-virus, AIDES, etc) that have been contested by the citizens and favored by the court have not been contested by the executive branch recently.

3. 7 Staff aides in Japan's Cabinet system: comparison with UK Cabinet system:

The ministerial elite bureaucrats' public policy making activities in Japan are often compared to those of the cabinet system in UK or even the US presidential system. In Japan, government bills are prepared and drafted by each ministry by its ministerial bureaucrats. This means that the staff aides in the Cabinet Office or Prime Minister in policy making are weak compared to those of the ministries, making the Cabinet or Prime Minister's leadership

in policy making difficult to exert.

In the case of UK Cabinet Office in 2009, 48 or so senior staff members were elite bureaucrats; additionally non-bureaucrat 18 staff worked for long term in policy development; 5 close information management staff stationed in the right next room of the Prime Minister's office. In addition, about 100 government party MPs (Members of the Parliament) were appointed as Ministerial Vice-Ministers and/or Assistant Policy Affairs Ministers in Ministries, according to the report of the National Personnel Authority published in the Yomiuri, July 30, 2009.

In both the UK and US systems, bureaucrats are posted not to engage in politics but to support in political neutrality, the policy making process of the Cabinet. Policy making capacity in both UK Cabinet Office and US Presidential Office are arranged for the Cabinet (and the Prime Minister) or the President to perform effective political leadership in policy making.

In addition to the relative weakness of the cabinet staff functions in the case of Japan, the Prime Minister himself are not well served by his policy staff aides in making effective coordination or exerting strong political leadership in the policy making process. Two factors account for such weakness. One is the Cabinet's relationship with the Parliament; the other is the Cabinet relationship with the government party or parties. Both are often considered by many critiques as the crucial factors of "weakness" of the legislative cabinet system, which has to take care of the balance of different interests within the government parties. In contrast to the stability of public administration, the political scenes are insecure experiencing short-lived Cabinet and frequent reshuffles of the Cabinet in recent years that further disabled the political leadership of the Prime Minister. Thus the substantive policy making is left to the Ministerial bureaucrats, instead to the Cabinet or the political leadership.

To improve the staff capacities in policy making of the Cabinet and the Prime Minister, a number of reforms have taken place. Currently in Japan, the Cabinet Secretariat has about 170 staff members mostly seconded from ministries (who may not be really loyal to the Prime Minister but surely to their own originating ministries). Recent years, the number of non-bureaucratic staff in the Cabinet Secretariat was augmented, and would be expected to be increased in the new Democrats' regime which proclaimed the strengthened political leadership of the Cabinet modeled after the UK system.

In 2001, when the central government ministries and agencies were drastically restructured to amalgamate the ministries, the Cabinet Secretariat was given the authorities to plan and prepare vital policy decisions. Also the former Prime Minister's Office was transformed into the new Cabinet Office as a directly serving staff aide organ to the Cabinet. The Cabinet Office is to assist and support the Prime Minister and his Cabinet together with the Cabinet Secretariat. However, still the Cabinet Secretariat and the Cabinet Office are highly dependent on the elite bureaucrats of the respective ministries for policy development.

The recent trend is to strengthen the Cabinet policy making capabilities with increased staff aides within the Cabinet Office and the Prime Minister's aides solicited either from the line Ministries or even out of bureaucracy. When political leadership is questioned over bureaucrats in the public policy process, it could be a choice to "presidentialize" the Cabinet system within a limit of legislative cabinet system, as is being progressed in the UK legislative cabinet system.

3. 8 Comparison of Japan's Cabinet system with the US Presidential system

Japan's Cabinet system is compared in Table 2 below with the US Presidential system, particularly focusing on relationships with the legislature, the basis of authority of the executive branch of the government, political parties, staff arms to the executive branch from bureaucracy, political appointees, local governments, and interest groups including private sector and NGOs, as they relate to the public policy making in the executive branch.

Table 2. Comparison between the US President system and Japan's Cabinet system

	<u>US Presidential system</u>	<u>Japan's Legislative Cabinet system</u>
Legislature	President selected by popular vote by Presidential Election and not by Legislature	Prime Minister (PM) selected in Legislature; he forms the Cabinet that becomes collectively with his Ministers responsible to the Legislature
Executive Branch Authority	Executive Branch Authority rests with the President individually	Cabinet institutionally responsible as the Executive Branch with PM as its head
Role of Cabinet	Presidential Cabinet is Advisory to President by whom their institutional capacity arbitrarily decided; Executive Office of the President (EOP) functions as Presidential Aides headed by the White House Chief of Staff	Cabinet organizations legally set with shared responsibilities of Cabinet Ministries; Cabinet collective responsibility
Political Parties	Two party system that can alternate governance of executive branch; president heading either party Democrats or Republicans	Mostly the same winning party formed government continuously; but two party alternate system possible
Bureaucracy	Permanent bureaucrats concern with specific functional issues; not necessarily loyal to political appointees	Permanent career bureaucrats aide Cabinet and Prime Minister with high loyalty to each Ministry
Political Appointees	Many; Presidential Aides and their staff at the President Office/occupying higher offices in Departments	Very few; higher permanent career bureaucrats aide PM and Cabinet/ Ministries
Local governments	Independent from the federal government	Independent from the central government in principle, but major sectional policies integral with the central gov., through Ministerial linkages
Interests Groups (NGOs, Private Sector Businesses)	Pressure Congress; ally with specific Departments without much inter-governmental or government-non governmental coordination	Multiple pressures with government and political parties, often associated with Ministerial sectionalism; some government-non governmental coordination

Source: prepared by the authors

First of all, the US President is selected by the Presidential election, unlike the case of the Japanese Prime Minister who is selected in the Legislature, and is usually the head of the winning majority party in the general election for the legislature. As the US President is independently elected by popular vote, he is more likely to be confronted by the Legislature, if he is not from the majority party in the US Congress, than the case of the Japanese Prime Minister selected from the Legislature. However even in the Japanese Cabinet system, if the majority party is different in two Houses of the Legislature, as in the case of the recent Japanese Parliament, similar situation of confrontation may occur.

In the US Presidential system, the President is individually responsible for the executive branch of the government, whereas in the Japanese Cabinet system, Cabinet is collectively responsible with the Prime Minister as its head for the executive branch. As the executive branch authority rests with the President, he is an individual institution and needs a strong staff office and executive organizations to assist him to discharge his executive authority of the government.

For the purpose, the Executive Office of the President (EOP), headed by the Chief of Staff of the Office of the White House has been functioned as traditionally the home to many of the President's close policy

advisors, including national security, management and administration, economic, trade, environmental, science and technology, etc., together with their executive organizations. Also to assist him in discharge of his policies, Cabinet exists with the executive departments.

US Presidential Cabinet is an advisory body and its role is to advise the President on any subject that he may require and the number can be changed by the President. The Cabinet consists of the Vice President and the heads (called Secretary) of 15 executive departments including Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, Labor, State, Transportation, Treasury, and Veterans Affairs, along with the Attorney General. In the case of President Obama, in addition to the above Cabinet members White House Chief of Staff (head of EOP), Administrator of Environmental Protection Agency, Director of OMB (in EOP), US Trade Representative (in EOP), US Ambassador to the UN, Chairman of Council of Economic Advisors (EOP) and Secretary of Small Business Administration serve as the Cabinet ranked members in the Presidential cabinet.

As stated earlier, in the Japanese Cabinet system, the staff arms to support the Cabinet and the Prime Minister in the government policy making, are scattered in a few places, including the Cabinet Office, Cabinet Secretariat Office, Cabinet Legislation Bureau, and the Ministry of Finance (Budget Bureau). Moreover, the actual staff arms are played by the line ministries, rather than by the Cabinet staff arms. In contrast, in the US presidency, the Executive Office of the President (EOP) which is overseen by the White House Chief of Staff is serving as the staff arms to the President. In a rough comparison, the US President and the Presidential Aides are much more strongly armed in policy making in the US system. The Executive Office of the President, as a staff arm, is created with sizable staff capacity so that the President can perform his role as the chief executive of the government. He needs to execute political leadership and the EOP is organized in a manner the particular incumbent can undertake his job and can exert his leadership in policy making. Accordingly, until now past presidents created, abolished or newly established staff aide offices.

In Japan, staff aides to the Ministers are all bureaucrats employed by the respective Ministries which send also their bureaucrats to the Cabinet Office and the Cabinet Secretariat Office as staff aides. Non-bureaucrat policy aides are only for a few exceptions and as recent additions. Ministerial actions are normally more likely to be integral with the Cabinet due to system of collective responsibility. In the Presidential system, US Departments can act more independently, for the reason the President is assisted in his policy making by EOP and the Presidential Aides in the White House, who are directly appointed by the President, of which influence and power are comparable to the Departmental heads (in Japan Cabinet Ministers). Sometimes the Staff Aides in the US President Office (White House) can be more influential to the President in policy making as often exemplified in a certain past case of the competitive relationship between the Secretary of State, and the National Security Advisor to the President. Rather than by the Departmental heads, coordination of policies can be organized for the President by these Presidential Aides. These White House Staff Aides have independent senior policy assistants (politically appointed during the particular President regime, and they are not bureaucrats) stationed in the EOP building adjacent to the White House.

The arrangement of the EOP, the White House and the Presidential Cabinet, is up to each President, and can be changed by an incumbent President individually, some without any law or ordinances. Exercise of political leadership of the US President can be expectable in the case of the President system, compared to the case of the Prime Minister and the Cabinet in the Cabinet system of Japan.

As regards the political parties in the legislature, in the US Congress, normally two major political parties, Democrats and Republicans, can changeably or alternately take over the government, and the majority party in the Congress may not be the same one that takes over the Presidency. In Japan, until recently one major party, i. e. Liberal Democratic Party continually took over the regime sometimes in coalition with other political party, but

two major party alternate system of government may not be impossible.

Concerning the political appointees vs. bureaucrats, in the case of US presidential system, each time the President is elected, some 3,000 new senior staffs (size different from each Presidency) are recruited as political appointees in the EOP and Departments in the senior staff posts above bureau chiefs. In the US Departments, about 10 % of all Departmental senior positions (Directors and above) are political appointees (about 1,000 in recent years). In the US legislature also, congressmen are provided with policy staffs who are also political appointees chosen by the congressmen. In the Japanese system, to strengthen the political leadership of the Cabinet, increased numbers of the ranking Members of Parliament are now appointed in the Cabinet as the Prime Minister's staff as well as in each Ministry. Additionally political appointees from the private business and academic sectors are employed as Prime Minister's staff aides but these political appointees are still very few.

Concerning the relationship with the local governments, under the US system, inter-governmental policy coordination is not likely to be easier than the case in the Japanese system, as the US governing system is historically more decentralized. In the Japanese system, although the local governments are autonomous from the central government, with their own legislative bodies, due to the flow of subsidies from the central to the local governments, and organizationally parallel divisions in the local governments to those of the central government, the central government can easily coordinate major policies utilizing the sectional Ministerial links with the sectional local government bureaus. Also local governments in Japan customarily solicit central government higher bureaucrats to the senior positions. This personnel practice makes the local- central coordination easier in the Japanese system, as explained in section 5, and 6.

Concerning the relationships with the interest groups in the private sector, in the US system, the executive offices at each level are more likely associated with respective local interest groups that may be different from those that might ally with or pressure to the US President Office. In Japan, the interest groups, rather than pressure the Cabinet or the Prime Minister directly, can ally with the Ministerial interests (contributing further to strengthening the Ministerial sectionalism) that make difficult for the Cabinet or Prime Minister to coordinate. Despite the Ministerial sectionalism, since the interest groups are allying with or pressuring the higher bureaucrats who can liaise with those in the Cabinet or Prime Minister's staff aides, coordination of the sectional interests of the society is relatively easily organized compared to the situation in the US President system.

In the US, several reforms have been tried for bridging the interests among different levels of government to establish better inter-governmental linkages and to strengthen the executive leadership of the President (Mosher, 1978). Additionally, the US government has been criticized often to be weak in coordinating government plans with big corporate businesses particularly at a time of crisis. In Japan, the coordinating exercise with the private sector has been substantially conducted by the higher civil servants under a name of regulatory administration or the administrative guidance, or merely informal policy networking sometimes involving *dangou* (to mean "behind the scene consultation in the close interested business circuits"). Bureaucracy as a whole has relative integrity as a social group in Japan. Admitting this, however, because of the compartmentalized Ministerial bureaucracy, the Cabinet cannot sufficiently integrate various functions of public administration which are allocated to different Ministries.

4. Dynamics in the Public Policy Process

For a long time, post-war public policy process has been undertaken by the close collaboration of the elite bureaucrats and political leaders. Mobilization of social energy and resources of the society's main actors including politicians, bureaucrats and business leaders has been required for the public policy process, including the policy planning and implementation. For this mobilization, the lead function was performed by the elite bureaucrats of the individual Ministries engaged in individual policy process. This long practice exhibits a unique

pattern and major features of the governance and public administration in Japan.

Overall, the collaborations between the government party and the higher bureaucracy in public policy process contributed to the stable continuation of the economic growth and democratic governance of the country. Or vice, versa, the long reigned LDP regime enabled for the unchanged agreed state goal the continuous collaborations between the government party and higher bureaucracy in Japan's public policy process. However, when the development oriented goal and the system that supported it for long have begun to expose a number of problems, the administrative reforms alone cannot suffice to drastically change the system. A totally different political system may provide an opportunity to such a drastic change in governance. A mission of this chapter focuses on the current system.

One major feature in the current public policy process to be reviewed is the elite bureaucrats' dominance in the process, with the related aspect of the central and local government interdependence in which the elite bureaucrats played a significant role. The latter aspect will be reviewed in detail in section 5, while the dynamics of the public policy development process created by the higher bureaucrats is discussed below.

4. 1 Political Process of Public Policy Decision Making:

4. 1. 1 Dual processes: government political party and the government (Cabinet)

Under the parliamentary democracy, it is the Parliament that officially aggregates public demand, opinions and makes public policies. Political parties exist to articulate these public demands and opinions in Parliamentary debates and decisions. However, when the LDP was dominant in both Houses, as John Campbell once analyzed (Campbell, 1975), LDP could be regarded as the de-facto legislature of Japan, and the Party's Policy Research Council's sub-committees were more important to Parliamentarians to attend rather than the Parliamentary committees, which are equivalent to the US Congressional committees. Thus, once fully debated and decided in the sub-committees of the Party's Policy Research Council, Parliamentary debate in its Standing Committees became the second hand thing.

This decision process of the LDP (actually in sequence, the Policy Research Council first, then in the Policy Consultation Council, and finally in the General Affairs Council of the LDP) was instituted at the time of the Prime Minister Ikeda's Regime in 1962. This prior (to the Cabinet and Parliament) consultation system within the LDP has created a so-called dual policy decision making system, one by the LDP itself and the other by the Cabinet. This dual system was in fact in practice for a long time by the LDP. This system, in any way involved and strengthened the higher civil servants, i.e. elite bureaucrats, within each Ministry who were eager to obtain approval in the LDP policy process before the formal process in the Parliament. They have established close networking with the involved powerful Parliamentarians who can reflect the interests of their electoral districts and the interests of the business corporations in the proposed bills. On the other hand, higher civil servants in charge of the proposed bill (after all they drafted the original bill or policy) can influence the related parliamentarians and the interest groups in the business corporations. This prior decision taking process is severely criticized lately by the opposition parties as a source of dominance of the bureaucrats in public policy making process and the lack of political leadership. In fact, the new regime of the Democrats formed in September 2009 after winning the general election, had the electoral pledge to abolish this dual system, i.e. eliminating the dominance of the party's policy research council and unifying the dual processes into single for strengthening the Cabinet as the sole decision making place and thereby strengthening the political leadership.

4. 1. 2 Axiomatic relationships between the ministerial bureaucrats and the political party members

As a consequence of the policy making process of the LDP, adhesive and axiomatic relationship of the subcommittees in the LDP with the corresponding bureaucratic organizations were created. Such relationships are twice enforced due to the fact that the MPs in the standing committees in the Parliament are the same members

of the sub-committees of the Party Policy Research Council. The relationships of the Members of the Parliament (MPs) are bound to be doubly related to the bureaucratic organizations. Parliament, thus lost the check and balance functions vis a vis the government. Since each Ministry is a de facto policy think tank of the relevant bills or policies, and in the absence of strong think tanks in non-governmental sectors, here arises the Ministerial bureaucratic dominance in public policy process. While the party's factional division is often organized according to the functional division of the (Ministries) bureaucracy, behind the scene consultation can be arranged by the senior bureaucrats of Ministries. Even for a bill or a policy that is multi-issue oriented, the inter-Ministerial coordination has been completed by the senior bureaucrats of the relevant Ministries before it is submitted to the meeting of the Administrative Vice-Ministers (highest ranking bureaucrat in each Ministry). The bill or policy is then officially sent to the Cabinet Meeting for decision. Therefore, Cabinet Meeting is often a mere formalization place of the decision taken by this Administrative Vice-Ministers' Meeting, which has also been an informal gathering of these highest ranking Ministerial bureaucrats. Bureaucratic decision making process and procedures thus became important in public policy making process and created the bureaucratic dominance in the public policy making process. Elite bureaucrats in these ways are doubly involved in the public policy making before the policies are submitted to the Parliament for official debate and decision.

4. 1. 3 Many MPs are ex-bureaucrats

In addition to this structural relationship, another factor is the fact that quite a few MPs are ex-bureaucrats, particularly the case in LDP (one-third to one-fourth already in the late 1970s to 1980s). They are closely tied with their former Ministries or Agencies. These relationship patterns are similar to the university cliques, and their thinking patterns are attuned with their former bureaucratic ones, and Ministerial sectionalism is thus well kept in the government and Parliamentary policy networking.

4. 1. 4 Exercise of political leadership in multi-issue oriented policies

There are of course exceptions to this pattern. For example, when a policy is of multi-disciplinary nature and is to be prepared by joints efforts of a few Ministries, Ministry to Ministry reports must be aggregated by upper level of the governing party, namely the Policy Research Council's Deliberation Committee. The negotiated program is then approved by the Party's Executive Council. Here the negotiation's focal point is politicians (interest-driven parliamentarians of individual issues of the government party) rather than the bureaucrats. This occurs even for a decision pertinent to the budget preparation of which the Ministry of Finance is in charge. Party politicians intervene when new activities fall multi-Ministries. Even in this case, the proposed bills are discussed and coordinated prior to the Cabinet meeting by the involved ministries. The Administrative Vice-Ministers' Meeting, which is organized every week prior to cabinet meeting in fact, authorizes already coordinated draft bills and policies. Thus contested issues are rarely brought in to the meetings. Therefore, the bureaucratic intervention prevailed.

4. 1. 5 Decision taking path from government to Parliament

In Japan very few bills are submitted by the MPs. Even when the bills are submitted by the MPs including the opposition party, staff of the Legislation Bureau of each House is available to assist the MPs to draft bills. MPs can also obtain staff assistance from relevant Ministries.

Usually, however, the policy process takes the following procedures: 1) an original bill for a particular policy is drafted by the bureaucrats of a particular Ministry while conferring with the responsible officers of the Cabinet Legislation Bureau, also with the Budget Bureau of the Financial Ministry when the bill involves the budget allocation; in addition with the Administrative Management Bureau of the Ministry of Internal Affairs and Communications when the bill involves creation of a new office, reorganization and/or increase of staff; further, in the case of multi-issue oriented policy, relevant offices of other ministries involved; 2) the draft is submitted to the relevant sub-committee or ad hoc committee of the government party's policy research council and the

executive committee, where a consensus that the bill be submitted as a government bill is made; 3) the draft bill is back to the original Ministry for submission to the Administrative Vice-Ministers' Meeting (as of September 2009, it was abolished and a different consultation is to take place); 4) and onward submission to the Cabinet Meeting for the approval, and then finally submitted to the Parliament as a government sponsored bill; 5) debates by the relevant standing committee of both Houses start, where the original Ministry acts as the informal staff aides to the committee. The Japanese process sharply differs from that in the United States, where the bills may be drafted by a congressman (who has legislative staff aides) or by the President's White House staff (political appointees, not bureaucrats), or various Departments of the Federal Government (senior positions are political appointees and not bureaucrats).

4. 1. 6 Collaborations of the government party politicians (MPs) and ministerial higher bureaucrats

Japan's public policy development paradigm can be summarized as having two major players: (1) the ranking government party politicians in charge of law making in the Parliament; and (2) the Ministerial elite bureaucrats. Japan's public policy development has been organized by these two actors.

Politicians and the elite bureaucrats have held close, if not conflicting, relations and worked together for deciding the content of the policies and the draft bills. Unlike the prevalent misleading information that elite bureaucrats monopolized policy formulation, generally the policy process has been officially scrutinized by the political leaders in the government regime under the legislative cabinet system and by the Parliament.

These elite higher bureaucrats who provided knowledge as a think tank to their interest parties involved in the issue and played the role of linking pin of articulating various interests of the Japanese society. They did actually draft bills and government policies. Until recently, during the process of public policy and law making, these elite bureaucrats actually attended the parliamentary sessions as governmental members, although now civil servants cannot become government members for the Parliament. Now civil servants can only attend the parliamentary committee sessions upon request of the MP with the permission of a committee chairperson.

4. 2 Bureaucratic decision taking: *Nemawashi* as informal, and *Ringi* as formal

4. 2. 1 *Nemawashi* as prior consultation and persuasion for consensus building

Policy formulation in Japan starts with the very original draft organized by bureaucrats of a responsible Ministry, of which ideas are variably driven by a division, or a bureau, or at political level, depending on the case. In any case, for bureaucratic decision making, a number of consultation and coordination take place. First it involves within a ministry consultation and coordination, and then inter-ministerial consultation. Consultation and negotiation for laying the ground work prior to formal decision take place vigorously during this informal process as well as at formal decision making.

Nemawashi (to mean a ground work laid unobtrusively in advance) is said to have taken place predominantly during the informal bureaucratic decision making in Japan. However, in actual public administration, the term *nemawashi* is used for prior consultation and persuasion with those whose consultation are considered necessary for the policy or draft bill, particularly outside of the bureaucracy. Usually the formal decision making procedures, called the *ringi* (to mean consultation via circular in lieu of a meeting for building up a decision) follow this informal process.

As explained above, the following patterns are the typical features in the bureaucratic decision making process:

- (1) Ministerial bureaucrats are the focal points of negotiations with both bureaucrats of relevant offices and politicians of ruling and oppositions parties;
- (2) Although contacts and negotiations are informal, the agreement reached becomes usually a binding commitment;

- (3) All to be involved with the proposed bill and budget are contacted by the bureaucrats in charge of the particular policy;
- (4) The ruling party particularly its policy research council and its sub-committees are directly and closely involved in the bureaucratic decision making process. Distinction between the political process and bureaucratic decision making is ambiguous in the *nemawashi* process;
- (5) The distinction between formal and informal decision making is also ambiguous. It appears that once informally agreed by all concerned the decision is de facto final.

After all, the objective of consultation, negotiation, or *nemawashi* process is to reach a consensus among the bureaucracy, government, and involved interest groups of outside the government. Cabinet and the Prime Minister's leadership can be blurred during this process.

A consensus building can be a delaying factor, when a decision involves multi-sectional ministries and involved parties. Even if there is someone in the process who wish to oppose to a particular policy, such opposition can be diluted in the *nemawashi* process. When the speed is becoming important in the current public administration, some outstanding opposition could be ignored by the bureaucratic decision process for Parliamentary debates and decisions.

4. 2. 2 *Ringi* or piling up, as a formal system of decision making in bureaucracy

Once the informal decision is reached, the draft (policy or a bill) goes through the formal bureaucratic decision making process taking the *ringi* system. It involves many officials in different hierarchies and their seals or stamps of approval. *Ringi* system is operated as the most conventional method of formal decision making used not only in the government but also in the private sector corporations or other organizations in Japan generally that forms the basis of organization, management and behavior in the Japanese Society (Tsuji, 1967).

According to Prof. Tsuji, *ringi* system has the following characteristics:

- (1) it is the lower official (still young rank and file but a career cadre in the Ministry) who has neither authority nor leadership who first drafts the *ringi* document (decision document to be circulated with a routing slip), even if the policy proposal is originated by a higher echelon official;
- (2) the *ringi* document is discussed and examined separately by each bureau and division of the Ministry, and often discussed at a joint meeting with all concerned administrators;
- (3) the legal competence to give final approval to the *ringi* document lies in the higher executive such as the Minister in charge of the Ministry or Agency or the chief executive in the case of government corporation; normally, the *ringi* document is expected to be approved as it is a result of the long process of everyone involved in both informal and formal decision making process.

The *ringi* system is called a piling up system, as the *ringi* document is circulated among 14 or so officials before it reaches to the top administrative executive. All line officials assume the function of staff under this system. This time-consuming procedure has some merit. In this procedure, all concerned with the policy are informed of the prospective action and all are participating in the decision taking. Laying the ground work by *nemawashi* which precedes the *ringi* system makes those administrators involved who subsequently cannot offer overt opposition to the policy, as the consensus is already reached through the *nemawashi* process that has created already a commitment in expectation. The decision after having this process is strong and the implementation can be quicker than otherwise. Morale in the lower-echelon can be high as the decision document is drafted by the members of lower echelon in this system. They are the career servants selected by the difficult Type I exam for the higher civil service anyhow, and are the young and brightest of the same generation. The *ringi* system has thus provided an organization of all the people participation.

The system has, of course many defects. First, lowering the efficiency would be a problem, if the emergency involved and urgency is required in the policy. If the official in the process does not like the policy, he or she may

be able to intentionally delay the processing of the decision document. Second, as Prof. Tsuji asserted long time ago (Tsuji, 1967), the *ringi* system allows a great deal of opportunity for sectionalism (Ministerial or even bureau level within the same Ministry), which is one of the negative characteristics of Japan's public administration. Any official at any level can intentionally hold the document to disturb the decision making which may favor any specific organization (can be a branch). Third, a problem of dispersion of responsibility. In any Ministry, the Minister is ultimately responsible for the decision. While all the lower-ranking officers examine the draft, they can hardly be expected to have a sense of responsibility of the decision, as each officer's responsibility is of only one of many. Fourth, the *ringi* system's communication flow is unilateral from the bottom. Fifth, the *ringi* document is drafted by lower administrator on the basis of their own experience (they are young and inexperienced after all) and the document follows the general template.

However, to rectify these weak points, a *ringi* document is revised appropriately by supervising officers, and coordination and integration is de-facto built into the system by means of a cross sectional policy coordinating at the level of even a division head. Informal consultation with all concerned has already taken place prior to the formal *ringi* document writing.

This *ringi* system is not unique in Japan as most of the bureaucratic decisions are made in most of the bureaucracies out of a long process of negotiation, bargaining and persuasion of individuals at many different levels of hierarchy. After all, rather than perfect decisions, human being always tries to attain a satisfactory decision (H. Simon, 1957), and consensus building is anyhow tried for a satisfactory decision for all. In Japan, people tend to avoid opposing or overt antagonism of individuals, in such a homogeneous society. Therefore the *ringi* procedures suit the Japanese society (which emphasizes the harmony and consensus) particularly well.

4. 3 Bureaucracy's network building

Decision making displays several distinguishable concepts and rules that are valued and reinforced in organizations as well as in a society. In Japan, most often cited concepts (Nakane, 1970) are "groupism" (willingness of working together in a group), goal orientation and fair share; these are generally shared in the context of democracy (majority rule but in Japan preferred is the consensus). General rules affecting the decision making in organizations, whether public or private, are said to be seniority, permanent employment, school cliques, consensus building represented in *nemawashi*, and even *dangou* (consultation in close circuits of interests eliminating outsiders). The interplay of these concepts, rules of the game and/or system form the decision making dynamics and features of the Japanese society's decision taking that also have contributed to the formation of elite bureaucratic dominance in Japan's public policy process. These features in the Japanese society's decision taking are briefly explained below.

4. 3. 1 School cliques, and senior-junior (*Senpai-Kohai*) relationships in Japanese organizations

In the Japanese society, heavy reliance is placed on personal networking. Much of the discussion, negotiation and persuasion are made possible through mobilization of personal networks. School cliques and *senpai/kohai* (senior/ junior) relationships in Japan's homogeneous society are two of the factors that support the *nemawashi* (laying the grounds in consultation) process. Frequent and close contacts are usually reinforced further by going out for drinking after long working hours, playing golf on weekends, and going to resort places for vacation by a job group where company or civil servants resort facilities are provided by the organizational funds for employees. Frequent face to face interaction enables solid interpersonal relationships in Japanese organizations. (Nakane, 1970, pp.136). Strong comradeship is thus cultivated because of employees work on a permanent basis in the same organization in the system of permanent employment of Japan's labor market. Through close human interactions, employees become loyal to the organization, and know the frame of mind of their managers. Thus the communication is subtle and discreet avoiding the overt opposition. Although the basis of these styles, i.e. permanent employment in labor market has recently been deteriorated, as one-third of the work force in Japan's

labor market constitutes as non-permanent employees.

4. 3. 2 Close networking among *Sei* (politicians in Parliament), *Kan* (elite bureaucrats), *Min* (corporate executives)

In the decision making not only in the bureaucracy but in a Japanese society in general, the society expects “groupism” and informal network in the group are institutionalized, as a model of Japanese system. Both meritorious and demerit features are built in the Japanese social system, by which the public policy making is affected. By informal networking, bureaucratic and political groups as well as private sector management groups are deeply linked, for good or bad, and the close rapport and collaborations between the public and private corporate circle assisted greatly the so-called ‘Japan incorporated’ system of economic development. Socio-cultural system of Japanese organization, and the society itself provided for long a secured and safe system which is destined to be gradually changing due to the globalization and different systems of labor market breaking down these socio-economic systems in Japan.

Bureaucrats, politicians, and business leaders hold regularly informal meetings for building understanding in a particular policy, and those meetings often take place among the close circuits excluding others who wish to be included, while creating useful policy network for those involved in the frequent contacts. This policy networking further strengthened the policy homogeneity and the linkage by late night work, golf playing, to hash policy matters. These meetings certainly facilitated the free flow of ideas in informal settings among those who have bondages already created through school cliques or Senpai-kohai relationships, over particular interests.

Moreover, the practices in the public policy domain, added the collaboration of involved politicians, elite bureaucrats and business leaders in specific business interests or policy matters. This tripartite collaboration, i.e., among *sei* (politicians), *kan* (elite-bureaucrats) *min* (or *zai*, private business/corporate executives) for quick decision making are generally known for serving cohesiveness and efficiency in economic growth and development. But, the tendency for insiders to guard information alienated foreigners (foreign businesses and investors), or outsiders of the policy network.

The practices had been for long praised by foreign scholars, rather than criticized, such as by Ezra Vogel as explained in his book entitled Japan as No.1 (Vogel, 1971). He solicited these relations as a successful factor in Japan’s public administration in state governance that has brought the quick and efficient economic development of the country. Japanese public administration, the elite bureaucrats as the care taker did make a link with both the political leaders and the market to promote the economic development which enabled ‘Japan as No. 1’ or at least the No. 2 in the world economy for the past years.

4. 3. 3 *Dango* (behind the scene consultation meetings)

The social consultation practices limiting the participation only in the closed circuit generally known as *dangou*, particularly used for a particular corporate business to take a government contract, was considered in the past as a useful institution for quick and efficient decision taking. Rather than publicly organize contract bidding, *dango* was an often used procedure in the government sector procurement, and was the case in the Japanese society in general. However, this *dangou* practice inevitably eliminated outsiders to participate in the concerned interest and was considered unfair as the practice was only benefiting particular businesses and the bureaucrats. It symbolizes the time when transparency was not much considered as crucial in public administration. Contracts were given to particular businesses without public scrutiny. The practice facilitated quick decisions and claimed by the bureaucrats that it worked efficiently to harmonize the interests and avoided inefficient competitions, eventually providing a long-term equity in the business circles. The practice had been taken for granted without strong overt objections in the Japanese society, despite occasional criticisms not on surface. As these became almost social habits not only the public policy process, but in various social spheres, these practices became a sort of Japanese decision making culture, without overt realization in the Japanese society that they are vices.