

Advisory Commissions and Administrative Reform: The Western Model in Japan

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The advisory commission model (ACM) has long been a popular administrative device used by governments in the West to implement administrative reform. Since 1981, the Japanese government has successfully used the ACM in a major effort to reform the public sector, adapting and improving its implementation to conform with traditional practices, values, but at the same time, it has also been modified to suit more the purpose of the existing elite, rather than the wider public. This suggests that the ACM may still fail to respond swiftly enough to the needs of Japan in the 21st century.

How to make changes and improvements in public administration has long been one of the most important and difficult tasks facing governments. Various methods can be used including an internal incremental approach which is continuous and dependent upon the bureaucracy itself. Another is the administrative reform method which is periodic and applied from outside normally by the appointment of a special commission. The importance of administrative reform has been recognized by a growing body of literature to which scholars from the Philippines have made a significant contribution.¹ The special advisory commission has, for some time, been used internationally. It has also been used in Asia and with particular popularity and success in Japan. The influence of the Western model was acknowledged by Professor Tsuji when he wrote that "... the First Provisional Commission for Administrative Reform (RINCHO), which was set up in 1961 was modelled after the Hoover Commission in the United States..."² Long before the Hoover Commission, however, the British government had established a two-man commission to investigate and recommend reforms on the Organization of the Permanent

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Civil Service. The Northcote-Trevelyan Report was published in 1853, followed a year later by the Macauley Report on the Indian Civil Service. The use of the independent commission to inquire into the civil service continues to be popular in Western countries producing, for example, the 1966 British Fulton Report and 1976 Australian Coombs Report.³ In 1981, the Japanese government established the second Provisional Commission for Administrative Reform, which made its final report in March 1983.

The Advisory Commission Model (ACM)

The ACM which has evolved has certain characteristics and advantages and disadvantages. It is based on the premise that the civil service cannot reform itself and can only be reformed from outside. The model is based on the perception that there is a need for greater reform than those made during regular internal management adjustments. Commissions are established on an *ad hoc* basis. They may spring from the election of new governments with reforming ideas, as in British in 1984 and Australia in 1972, or they may result from anxiety over rising expenditure or the size of the service, as in the United States in 1947 and 1953 and Japan in 1981. Commissions are expected to be independent of the service and government and their recommendations to be impartial. They are also expected to tackle the problems of the administrative system in an open manner. The members of such commissions should have suitable expertise and high professional status, should be drawn from several groups in the community and should represent the general interests of the society rather than vested interests. The contribution of the chairman is vital to the success of a commission. Service by commissioners is normally part-time, so staff are employed to conduct research in their behalf. The terms of reference of commissions can vary from narrow to those which require a wide perspective with aims of reforming not only the bureaucracy but also society. A commission has power to collect evidence but it has no power over implementation, while its recommendations are purely advisory.

Commission reports can be very influential and have far-reaching effects on the development of an administrative system. They can reveal deep-seated problems and major defects in a system and force governments to acknowledge the same. But they also give governments the support which is necessary to successfully implement reforms in the short or long term against strong resistance. With good public relations, commissions can educate and stimulate public opinion, politicians and bureaucrats to support reform measures.

Commissions have been judged to have failed because of the relative lack of implementation of their recommendations. The implementation record of commission recommendations is not particularly good and has been described as the "Achilles' heel of administrative reform."⁴ Commissions can also be used by governments and other groups for other than the stated reasons.

There can often be a hidden agenda behind the public statements. It is possible for commissions to be unrepresentative and for their recommendations to be unrealistic and damaging to the operation and morale of the civil service. They can also act as a smokescreen by hiding major defects in a system thereby stopping or delaying much needed reforms. Financial costs can be high, in terms of time, the use of personnel, and disruption to normal administrative performance. Such costs may outweigh the benefits of any successful reform.

Japan's Second Provisional Administrative Reform Commission

Japan has seen two major efforts at administrative reform in modern times: one in the late 19th century, the other after World War II. Another important attempt at reform is currently taking place using the independent ACM. The Commission was established in March 1981 because of and in response to growing government deficits and the reliance on bond issues to meet the problem. Business, in particular, felt that the government should reduce its expenditure and improve the civil service rather than increase taxes. Prime Minister Suzuki asked the Commission:

to assess the best mode of appropriate and rational administration from every angle in the light of the outlook for the 1980s and beyond, as well as to examine the basic administrative system and its management, including the division of roles between public and private enterprises, the allocation of operations between the central and local governments, and the future of government's local and branch offices at the prefectural level. The government is resolved to respect the conclusion of the commission and to successively implement them.⁵

In keeping with the Advisory Commission Model, the new commission was composed of nine qualified members with high social and professional status. The commissioners' expertise was widely-based—three were businessmen, two were former bureaucrats, one was a journalist and one an academic. In addition, two trade unionists representing different sectors of the union movement were included. The Commission's members were highly distinguished and experienced. For example, its Chairman Toshiwo Doko, was one of Japan's most successful businessmen who had also been President of Keidhanren, the Japanese Federation of Economic Organizations. He had a high reputation for efficiency and honesty. Professor Kiyooki Tsuji had been Dean of the Law Faculty of Tokyo University and was a pre-eminent scholar of public administration. In addition, he had worked for the First Administrative Reform Commission. The commissioners were part-time but they were assisted by 21 expert members, 49 councilors and a secretariat of about 100 officers. The Commission invited and received a substantial number of submissions from the general public and interested organizations as well as visiting various areas and holding public meetings. A system of committees was used to collect and assess material, and to formulate proposals. Thus, the Commission was in a position to investigate and review the system on the basis of a considerable

amount of information and to formulate recommendations for administrative reform. The terms of reference were also wide enough to allow for far-reaching recommendations. Five reports were published; the first concentrated on expenditure cuts for the 1982 budget; the second recommended cuts in the official licensing system. The third report was the basic report and covered the central government departments, local governments, public corporations, and changes in policy programmes such as agriculture and social security. Implementation was the main topic in the fourth report and the fifth report further developed matters raised in the third report.

Success of the Commission Device

It can be argued that the administrative reform model, using the advisory commission, has proved successful to a certain extent in the case of the Doko Commission. This success is due to the nature of the membership of the Commission, and especially to Doko himself. His status, dedication and commitment to reform and his position within the business community gave him considerable influence on the government. He also became more widely known after a popular television program about his life.

Doko and the Commission were careful to follow traditional practices and processes in their approach to reform. They were concerned with gaining approval and avoiding conflict and so consulted widely. Doko, for example, visited several political leaders to gain their support. Implementation was the overriding objective so cooperation and consensus were stressed while many controversial topics were avoided. Recommendations of the reports were often general, recommending further study or using language which was vague and ambiguous. The Commission did not tackle the difficult problem of the Japan National Railways but recommended that a special committee be established to consider its reform.

The model stresses the independence of the Commission, especially from the bureaucracy, so it can be in a position to make impartial, and if necessary, radical recommendations. In the case of the Second Reform Commission however, the bureaucracy was deeply involved at all levels, including having two former bureaucrats as commissioners. Critics claim that the bureaucratic influence and input partly account for the success of the Second Commission as against the First which was heavily influenced by non-bureaucratic groups and proved to be too idealistic and unrealistic. The secretariat for the Second Commission was composed of young bureaucrats on secondment from their departments with a few individuals from the private sector and one from local government. Their input was central to the work of the Commission, and among other things, they were responsible for collecting information, preparing agenda and writing reports. Many former bureaucrats served on the advisory committees. They were in a position to protect departmental interests and

were able to influence reports and recommendations going to the Commission. In typical Japanese bureaucratic style, many of the proposals were discussed and argued out at length behind closed doors by the bureaucracy prior to being brought before the commission. At the center of most of these discussions was the Ministry of Finance. This activity enabled the formal recommendations to be implemented relatively easily by the bureaucracy.

Implementation was also helped by the continued pressure on government exerted by business. This was much more systematic and influential than in Western countries. Business continued to press for cuts in expenditure and personnel. They also opposed any tax increases. Doko was in the forefront of that pressure as Chairman of the Commission and from 1983 as Chairman of the Administrative Reform Promotion Committee. The business lobby was influential in Japan because of its close relationship with the governing Liberal Democratic Party (L.D.P.) and the bureaucracy. The L.D.P. and Nakasone needed the financial support of business.

Political leaders normally support administrative reform but in Japan this support was much stronger and more sustained than in Western countries. Both Prime Ministers Suzuki and Nakasone made the strongest commitment and placed reform at the top of their electoral platforms and cabinet agenda. Such a commitment to reform was seen as a boost to their standing particularly with the L.D.P. and the business community. The L.D.P. was deeply involved and established a reform headquarters.

Japan's economic success since the end of World War II has been partly due to close cooperation and the shared interests of the L.D.P., business and bureaucracy. So it was in reform where they shared a perceived need and were prepared to work together, and to compromise to achieve shared aims. This is not to say there was no resistance. Indeed, resistance was strong. The strategy adopted in response to resistance was partly the composition of the Commission and the stress on implementation and feasibility. Part of the strategy was to report while the Commission was still in existence so it could press for implementation. Implementation was also sought by dropping or modifying proposals. For example, the original proposals to amalgamate all the planning agencies were so changed that there was a possibility that only two agencies would be amalgamated. The government also sought to mollify political opposition and rural resistance by introducing civil service salary increments and rice price increases.⁶ Another factor accounting for the Japanese success is the conservative nature of the society with its deferential or passive attitude towards the elite.

Problems and Defects of the Commission Device

There are several problems and defects which can arise from the administrative reform methods and the use of a commission both in the West and in

Asia. For example, it is not uncommon for a commission to be appointed to help get a government out of a difficult situation when it is under strong political attack. It allows a government to defuse criticism or to delay taking controversial decisions. In Japan, however, the model was used according to the theory, to find answers to difficult problems.

Another defect more relevant to Japan is that of a commission acting as a smokescreen, where because of the establishment and operation of a commission, people believe that problems and solutions have been thoroughly and impartially investigated while in fact this has not happened and major defects still remain. This can engender a sense of complacency, a belief that all is well, while allowing the situation to deteriorate which would only be revealed when a major crisis hits the nation. A commission can act as a dignified facade behind which vested interests pursue their particularistic aims. The commission acts as a rubber stamp to decisions reached by these various interests. Thus, a commission is used in the opposite way to which it is intended in theory. In Japan, it could be argued that serious problems such as departmentalism and a lack of a central control and management system were not investigated or discussed at depth and recommendations were either not forthcoming or were weak. Recommendations to amalgamate part of the Prime Minister's Department with the Administrative Management Agency were implemented but no real progress was made on strengthening central management or curbing departmentalism. The Prime Minister's Department, for example, still remains weak despite proposals made as early as 1961, that it should be strengthened perhaps with an executive office based on the American Presidential pattern. In Western countries, executive bureaucratic power has often been the reason for establishing reform commissions. This was not the Japanese case in 1981 and no attempt was made to discuss or curb the power or centralization of the bureaucracy. There were cuts made in finance, personnel, offices and licensing but not in the central power of the bureaucracy. This power springs not just from the legal position but also from bureaucratic attitudes of superiority and deference afforded to them from those with whom they deal. Is the bureaucracy sufficiently independent or impartial, or is it too closed and too responsive to the demands of big business and vested interests? Is the system open and flexible enough and able to tackle the needs of the society especially in the future?

The Commission was concerned about societal reform by way of preparing Japan for the 21st century. Yet despite this, the orientation of implementation has been towards internal changes in the bureaucracy and expenditure cuts. Commissions can have two agenda: one, public prepared for the nation and the other, hidden to serve private interests rather than the public good. What may be of benefit to the bureaucracy or to the government is not necessarily of benefit to the whole nation. It is possible for bias to be built into a commission so that it considers certain problems and neglects others. Suzuki and Nakasone found the reform campaign to be of benefit to them politically, while the

business community and the Ministry of Finance were able to push through financial cost-cutting measures which they supported. Social welfare was subject to severe financial cuts which raised questions about equity and fairness. Considerable attention was given to financial and administrative problems but insufficient consideration was given to the social and other needs of the society.

Certainly in the past, the system was not sufficiently conscious of the suffering inflicted by industrial pollution and disease or the poor living conditions of the people relative to the wealth of the society. Commissioners may have been of high status but it is doubtful whether they were in a position to fully represent the views and needs of the society. Commissions can be criticized for being too idealistic, too academic and unrealistic in their recommendations as was the case with the 1961 Commission. It can be suggested that the 1981 Commission was out of touch with modern Japanese society and did not consider many vital areas and that Doko and business representatives were naive and did not fully understand the bureaucracy or the workings of the administrative system. Like many Western commissions, the Doko Commission did not examine closely the key relationships between the political arm of government and the administrative system. Administrative reform will only have limited effect if political leaders are opposed because it affects their power base, or restricts their use or misuse of public resources.

Another thrust of commissions in the West has been the democratization of administration including the introduction of a more 'open' government, freedom of information, ombudsmen and more decentralization. The Japanese Commission made recommendations along similar lines but critics pointed out that other proposals could lead to more centralization and less democracy. Democracy is not just having the correct institutions; it is also dependent upon the bureaucracy being imbued with democratic attitudes and values. The Commission did not investigate attitudes or values. The recommendation, now implemented, to give the power to create or disband departmental bureaus to the government rather than parliament is good for efficiency but not for democracy. Commissions can be restricted because of narrow terms of reference or because of a lack of resources, but this was not so with the Doko Commission. There was a time limit of two years however which placed considerable pressure on the Commission and its officials. It was impossible to investigate several areas in depth or to consider others or to consult as widely as desired. The decision to publish reports quickly also restricted research. For example, the First Report was published only four months after the establishment of the Commission.

Commissions have sometimes been criticized because of their high financial costs, but also because of their use of scarce personnel, their demands upon departments especially senior departmental officials for information. These demands and the implementation of ill-considered recommendations can damage the morale of the department and its effectiveness and efficiency.

In Japan, the demands upon the bureaucracy were heavy but morale and effectiveness were not impeded. This was because most recommendations were in line with the aims of the bureaucracy. In comparison to the West, the 1981 Commission was more successful at implementation not only for reasons already stated, but also because reforms had the force of law through legislation. There was political commitment and many of the reforms were implemented internally through the bureaucracy.

Conclusion

For many years now Japan has successfully borrowed, adopted and improved many ideas and products from the West. The Japanese government has introduced from the West the ACM and they have used it in the context of the local political and administrative culture. Its use has been in line with traditional practices and values and it has been a vehicle to reinforce the existing system and to pursue political and bureaucratic aims. In some ways, the Commission was a veneer to hide the actual operation and ambitions of the decision makers. The 1981 Commission was relatively successful because it followed the accepted practices of the system by consulting widely, avoiding conflict and radical proposals, and striving for harmony and consensus. This helps to explain the lack of a minority report which can be found in the West.

The bureaucracy in Japan has been much more active and successful over the years in administrative reform than their contemporaries in the West.⁷ Yet they were unable to get the tough decisions taken to reduce expenditure and to cut some costly programmes nor were they able to introduce major changes in the bureaucracy itself. This is where the reform method and the commission were essential to gain the support and commitment from political, business and other groups in the community to be able to induce the reforms required. Within this process, however, the bureaucracy played a key role and its position and influence was much more central and persuasive than in the West. This does raise questions about the independence and therefore the validity of the Commission's work.

The same questions arise because of the active role of business in the process with its close relationship to and its influence on government and the bureaucracy. It was not only their large representation in the councils of the Commission but also their continual pressure on the government to act according to the wishes of business. This symbiotic relationship is not found in the West where relationships are more spasmodic and limited and business does not have the same interest in the operation of the bureaucracy.

Another difference between the West and Japan is the political input into the reform process. In Japan, reform has been at the top of the political agenda

for a long period, with a much more sustained commitment by the political leaders even if the strongest emphasis has been on cuts in personnel and finance. This is partly because conservative governments have been in power in Japan since World War II, except for a short period in the 1940's. There has not been this continuity in the West. The government has been able to establish priorities and guidelines and has been able to stay with them for a long period of time if necessary. As in the West, they have been able to get broad support for the general idea of reform but have found it difficult to get support for specific reforms. The L.D.P. leaders in Japan have been able to mobilize party support for reform and in 1981 established a L.D.P. Reform Headquarters which successfully helped to monitor and implement reform.

Several Western governments, such as Britain in 1964 and Australia in 1972, used commissions to try and curb the bureaucracy and to improve the society. The term "improving" the society is rather vague and can be based on political ideals, but in general it means making the society better than it is at the present time. In Japan in 1981 there was no real attempt to curb and control the power of the bureaucracy but a main objective was to improve the system and the society so Japan would be in a better position to answer the challenges of the 21st century. However, because the Commission was dominated by economic and bureaucratic interests, it saw the challenge through the eyes of those groups. Other interests of a social welfare or democratic nature found it difficult to make their voices heard and those in the Commission prepared to speak for them were a tiny minority. In this sense, the Commission failed to reflect the whole society or the general interest as the model required.

It is difficult to evaluate the success of administrative reform and often it can only be done with hindsight. In Japan, it can be claimed that it was successful for the elite, for the political, business and bureaucratic leaders, at least in the short term and could be in the long term. Whether the reforms will make Japan more democratic, compassionate, or responsive to social needs is another question. The ACM is an administrative device originating in the West, but being used superbly in the technical sense in an Asian country. It was adapted and improved in line with local traditions but it was also modified to make it more pliable in the hands of the elite to serve its special purposes and so losing its essence which is to serve the wider public purpose. This suggests that the use of the ACM has not revealed the deeper defects and needs of the government system and the system may still fail to respond swiftly enough to the needs of the 21st century.

Endnotes

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² Kiyooki Tsuji, "Public Administration in Japan: History and Problems," in *Public Administration in Japan*, edited and published by IIAS Tokyo Round Table Organizing Committee, Tokyo, 1982.

³ R.A. Chapman (ed.), *The Role of Commissions in Policy Making* (London: Allen and Unwin, 1973); R.F.I. Smith and P. Weller (eds.), *Public Service Inquiries in Australia* (Brisbane: University of Queensland Press, 1978); Martin Bulmer, *Royal Commissions and Departmental Committees of Inquiry: The Lessons of Experiences* (London: Royal Institute of Public Administration, 1983).

⁴ G. Caiden, "Implementation is the Achilles' Heel of Administrative Reform," in *The Management of Change in Government*, *op. cit.*

⁵ Administrative Policy Speech at Ninety-fourth Session of the National Diet, Press Release, Prime Minister's Office, Government of Japan, January 26, 1981.

⁶ See J. Elliott, "The 1981 Administrative Reform in Japan," *Asian Survey*, Vol. XXIII, No. 6 (June 1983).

⁷ See T.J. Pempel, *Policy and Politics in Japan* (Philadelphia: Temple University Press, 1982).