

JAPAN'S ROLE IN SOUTH ASIA

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KANISHKA PUBLISHERS, DISTRIBUTORS
NEW DELHI-110 002

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First Published 2003

© Editor

ISBN 81-7391-566-0

PRINTED IN INDIA

Published by Madan Sachdeva for Kanishka Publishers, Distributors,
4697/5-21A, Ansari Road, Daryaganj, New Delhi 110 002; Lasertypeset
by Abhijeet Typesetters, Delhi, and Printed at Nice Printing Press, Delhi.

Japan's Bureaucracy Reforms and its Role in Reforming Governance in South Asia

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Introduction

Japan, as an economic superpower, and the sole Asian member of G-7, has been a longstanding model for development for the now poorest region in the world—South Asia. Though completely devastated in World War II it has been able to rise from the shackles of its past militarism, and feudal authoritarian structure of its traditional society to a modern capitalist democracy. It has been able to secure for its people a free, egalitarian and liberal society that has gone much beyond the two fold objectives of the Occupation Policy and Potsdam Declaration:

- (a) to secure a peace loving Japan which will not again disturb the peace and security of the world, and

- (b) to establish a democratic, responsible government in Japan.

The transformation of Japan from a feudal economy to a front ranking economic power has been largely facilitated by the Japanese Bureaucracy. The civil service has played a key role since the Meiji Restoration of 1868. Then, it exercised supreme authority and unlimited powers upto the Second World War period and was in no way accountable to the Diet which emerged later within the political spectrum. Its allegiance to the Emperor was symbolic rather than substantial. Though it was one of the three principal 'sinners' in the eyes of the Allied Powers, the other two being the Military and the Zaibastus industrial combines), it was retained as an implementing agency of the Allied Authorities. [Maheshwari 1987: 1-2]

The bureaucracy, especially the Ministry of International Trade and Industry (MITI) strategised the development process by prioritising the infrastructure development and then moving into the knowledge industry, economic security and welfare to emerge as the second largest economy in the world. The achievements of Japan are much more formidable, as compared to the United States, for various reasons, principal among these being its accomplishments achieved in just about twenty years from the departure of the Occupying forces. Secondly and contrastingly Japan is no match to the United States in terms of geographical expanse, population and rich natural resources. The massive development both in the industrial and service sector, has been the result of effective policies and programmes of bureaucracy and clever conceptualisation of development and use of the private sector as an instrument of development. The typical personification of this peculiarity was the "*gyosei shido*" or "administrative guidance" principle used to direct business and industry which meant an oral understanding with corporates to cut production or suffer temporary hardships, with the hope of getting more than compensating benefits in the future. [Maheshwari 1987: 3] Though this paternalistic approach of the bureaucracy was responsible for the post war resurgence of Japan, and the bureaucracy responded swiftly and seriously to the challenge of the agenda of reconstruction and development, currently this approach is perceived as being

responsible for the malaise and stagnation in the context of globalisation and the perceived lesser capability of Japan to compete in the international market.

The Japanese Bureaucracy Ethos

The Japanese Bureaucracy which was left unscathed as a result of American Pragmatism, had the primeval role of economic development of the nation and shaping and directing its public affairs. It had a powerful role under the new Democratic Constitution of 1947 and its functions became encompassing and overarching. The Bureaucracy had reasonable protection under the National Public Service Law which provided the framework for the civil services. Open Recruitment, non-interference in the recruitment process, posting and transfers by the political executive rendered the bureaucracy into a professional outfit which had a self identity and voice that was respected since it generally fulfilled needs of general public interest.

Certain fundamentally positive characteristics of the Japanese Bureaucratic culture were exemplary—the Consensus Decision Making Method, the informal work culture and the social work ethic that supported the bureaucracy. Decision making was characterised by the Bottom-Up Council System which was thorough. In the regular meetings of “permanent” vice minister, in which top administrative officials representing each ministry met, unanimity was held as a strict principle. The permanent vice minister negotiated in advance to iron out differences (this process was called *nemawashi*) to ensure consensus. Moreover when problems occurred blame was placed not on the individual responsible but on the entire working group, in a system called *renza-sei* in which all members of a group were punished in case of a scandal or corruption. [Miyachi 1999]

At the epicentre of Japanese decision making is the Group Decision Making System based on *ringi*, a document referred to as “requirement for managerial decisions”, wherein low ranking official will put a note on a matter to be decided. This went up to the superiors for approval and was handed over to all sections directly and indirectly involved in the

proposed issues and when the bureaucrats deem the proposal as adequate, they would give it their *hanko* or stamp of approval. Though this consensus arrived at through intense participation of lower and middle bureaucracy and ensured speedy implementation of decisions, it created the "faceless bureaucrat".

On the negative side, this faceless bureaucrat combined with Group Decision Making System made it increasingly difficult to monitor individual accomplishments and free riders. It allowed for seniority based promotion system coupled with "reputation" among people of the same age. Bureaucrats, with an eye on reputation, developed a proclivity to postpone or not take decisions when their career was at stake. Bold reforms that mandated sacrifice would not be introduced and the most important concern of the bureaucracy would not be accomplishment but increasing the number of its employees towards expanding the domain of its authority. The evaluation system for the bureaucracy as an organisation too was archaic. Criteria such as number of employees, amount of budget spent and the number of legal acts drafted were among the only considerations.

Despite these minor drawbacks the bureaucracy had a high morale and prestige and most of all drew selfless commitment from the civil servants themselves. Among the most remarkable aspects of Japanese bureaucratic culture was the informal relations and flexibility in working habits. The late sittings especially when the Diet was in continuous session was commendable. The informal office layout facilitated habit of working late, group cohesiveness and solidarity. Civil Servants went to the extent of "blocking" the telephone when they have to complete assignments. The "*Kasumigaseki*" culture [Maheshwari 1987: 23] allowed for a place to relax after working hours, may be have a drink and return to work. But even more remarkable was the work ethic that was supported at the social level by the family where children do not expect their parent to be home for a week. It is rather amazing that the Japanese work even on holidays and anyone who remains without work sees it as humiliation and faces social ostracism. The dedication to public service therefore was quite simply extraordinary and legitimately the Japanese had faith in their bureaucracy to serve the public interest.

The Critique of Japanese Bureaucracy

The 90s have witnessed a flood of critiques against governments the world over, especially in the United States and the developed world. "Big Government" has been admonished to "steer rather than row", to be entrepreneurial, to downsize and to privatise. [Osborne and Gaebler 1992]. After a purely America initiative of the Clinton administration in the form of the National Performance Review, the World Bank too reiterated "matching the state's role to its capability", essentially calling on states to be careful while intervening and to focus on the fundamentals to improve effectiveness. [World Bank 1997: 3]

The Japanese Bureaucracy traditionally had such an all powerful role, surpassed only by the French and German bureaucracies where the senior bureaucrats "descend from heaven" notion held currency. In its heydays, in the 80s, it ventured to overruling prime ministers,¹ but suddenly found the tide of public opinion turning against it in the 90s. Three major reasons were responsible:

1. The collapse of the bubble economy in 1992 for which the bureaucracy was held responsible, due to its part in over regulation and resistance to change [Brown 1999] and more so, for its failure to admit that the policies it adopted had failed.
2. The belief that the traditional "administrative guidance" does not work anymore in the global economy and there is need for deregulation. [Gibney 2000]
3. The spate of corruption cases involving the Iron Triangle of Big Business and Bureaucracy and Politicians, where high ranking officials of various government ministries that were exposed by the media,² contributed to the molding of a new stereotype—the bureaucrat as greedy, corrupt and selfish, individually and as a group.

The Japanese bureaucracy apparently failed its people on three counts of economy, legitimacy and accountability. The government lingered for five years after 1992 trying to optimistically analyze the deteriorating economic situation. There was suspicion that its misjudgments were prolonged because

it was reluctant to admit that the policies it had adopted had failed. [Miyachi 1999] This led to an economic down turn and quick corrective action could have saved the economy.

Secondly there was increasing criticism that Japan's policy-making system seemed to have reached the limits of its usefulness. Japan's bureaucracy—the core player in the country's policy-making process appeared to be at a loss as to which direction the country should go. [Miyachi 1999] Research suggested that Japanese bureaucracy was infamous for making corporate life complicated and that there were a whopping 10,000 regulations in 20 categories which led to slow down and cost increase for start-up companies. It took eight times more time in Tokyo than in Seattle to set up a company. The same was the ratio with reference to bureaucratic paperwork. This not only inflated costs but created lack of respect and breakdown in communications and a we-and-they attitude developing [Attridge undated] between Japanese firms or subsidiaries and their collaborators or parent companies elsewhere.

And finally a flood of research and publications, some of these by bureaucrats, heavily criticised the bureaucracy. A veteran bureaucrat Gotoda Masaharu [1994] himself suggested that the underlying mentality of the bureaucrats—their strong urge to govern, based on a feeling that they are an elite and over-confidence in their own abilities—has remained unchanged since the nineteenth century. Taichi [1994] a former bureaucrat decries the system of bureaucracy-led collaboration pervading Japan as a whole. Administrators have imposed standardization and promote the interests of producers over those of consumers. And even the end of Liberal Democratic Party (LDP) rule seems unlikely to weaken the bureaucracy's hold. What is even more important is that it was able to sway public opinion against the bureaucracy and erode public faith in this institution.

The majoritarian views in the developed world about the minimal role of the state; the inability of the Japanese bureaucracy to turn around the fortunes of the massive economy within the fiercely competitive globalisation framework; the attendant social ills coupled with revelations of unprecedented scandals involving the highest ranked bureaucrats, police and even the foreign ministry officials put the final nail in the fortunes and position of the bureaucracy.

The Reforms Package

The Japanese central government in a decisive and sweeping package of reforms has slashed (downsized) by half the number of ministries and agencies from 24 to 13 and created four jumbo ministries from 11. The biggest re-organisation of the central government was legislated in 1999 and came into effect January 2001.

The cuts and reorganisation though done quietly, were targeted to alter or redistribute power within the elite: political over bureaucratic....[Chiba 2001] In essence the reorganisation or reform seems to suggest a movement towards the British model of bureaucracy-political executive power relations, as opposed to the earlier one where bureaucrats were really high profile sometimes over-ruling politicians as stated earlier. The stated purpose of the reform, according to the former Japanese Ambassador to Britain Chiba [2001], was to strengthen political leadership of the administration and to this end the Cabinet and Prime Minister have received enhanced powers, with attendant organisational "streamlining".

The anatomy of the new governmental structure shows that the Cabinet has a bigger Secretariat and the upgraded and enlarged (by many talented outsiders) Cabinet Office now headed by the Prime Minister himself, has bodies such as the important Council of Economic and Fiscal Policy with budget deciding functions, shorn from the Ministry of Finance attached to it, and both offices outrank the other Ministries, with explicit coordinative powers. The Ministers have attached to them veteran Diet-Member Senior Vice Ministers and younger Parliamentary Secretaries...to ensure control over career officials led by their Vice Ministers. [Chiba 2001]

The proclivity to downsize is decisive with a 25 per cent cut in civil servants in 10 years, reduction of 25 per cent of Bureaus from 128 to 96, 20 per cent of the Divisions from 1,200 to 1,000 and one-sixth of policy councils which function as bodies backing up bureaucratic initiative. On the operational side, the Ministries are to submit to stricter evaluation, wider-ranging abolition, privatisation, outsourcing, deregulation, decentralisation of their activities, including subsidies and public works and increased disclosure of information. [Chiba 2001]

In the blizzard of reform the Ministry of Finance, the *primus inter pares* of the elite bureaucrats, with its power and expertise over the budget, taxation and banking and through which it could even intimidate politicians has fallen the hardest. [Chiba 2001] The troubled banking sector has been given to a new agency the Financial Services Agency which is placed directly under the Cabinet. Even in nomenclature its Japanese name of "Great (imperial) Treasure House" has been changed to more prosaic Financial Affairs by the politicians who themselves have held on to the title of "Great (Imperial) Steward".

The Indian Context

As India steps into the 21st Century, quite similarly, dissatisfaction with government runs deep. Public fury alternates with apathy and sometimes, fear,³ about administration. In its proclaimed "tryst with destiny" India as a nation, while cherishing the opening of opportunity to the great triumphs and achievements that awaited it, acknowledged that "the ending of poverty and ignorance and disease and inequality of opportunity"⁴ were the primeval tasks. Fifty-three years later the tasks although tortuous, are far from accomplished. Hardly anyone will dispute the fact that the instrumentality of Indian administration, that was mandated to deliver the masses from these afflictions, has on aggregate been anything short of a disaster.

Governments in India, whether central or state, lack the capability, competency, passion and imagination to carry out simple administrative tasks effectively and efficiently. The truth may lie in the instrumentality of the Indian Administrative Services, which despite its intentions, is a colonial legacy, conceptually crafted to carry out the exigencies of that form of governance, but is much hopelessly anachronistic and inadequate in a contemporary knowledge and information based societal context [Fernandes 2001]. The Weberian Ideal Type Bureaucratic Construct, although purely methodological, was not intended to represent an average of the attributes of existing bureaucracies, but has in praxis sought to justify itself as so, especially in India, so much so, that every action of government until recently went unchallenged due to its presumed rational patriarchal character.

Indian bureaucracy has shown a proclivity toward geometric growth, is generally unprofessional, inefficient and doggedly slow. The central government with 41 ministries and 103 departments employs a little less than four million people, who procured more than Rs. 30,000 crores or nearly 2 per cent of the GDP as salaries and perks, in 1998 [Barman 1998]. Each Government, whether at the Central or the state level, wants to create additional ministries not necessarily to improve service delivery or to benefit the people, but to meet compulsions of the coalition ministries. [Fernandes 1999]⁵

Bureaucratic principles religiously followed in Indian Bureaucracy have worked to the disadvantage of the citizens. For instance, "Fixed and official jurisdiction" has offset rigidity and non-cooperation in taking on additional work within the department even when citizens' interests are hindered. Structuration of "office hierarchy" and "grades of authority" have eventuated into shirking of responsibility at lower and middle levels entrenching the Indian bureaucracy in a groove of legalistic functioning. As observed in states such as Goa, official business is discharged as a secondary activity and the "private world of activity" of the bureaucrat takes on a primacy which overshadows citizen's needs, for whom the administration is intended to serve. Lastly, the rule driven management of government departments not only inconveniences citizens, but borders on occasional harassment especially in case of crime witnesses. At times, the consequences of bureaucratic apathy have been tragic when hospital staff have been adamant on police panchanama attending to critically injured accident victims. Rules have gained such a primacy that life of victims does not matter.

Miring the Indian bureaucracy further is the lack of adequate skills and knowledge within the middle and lower level of the bureaucracy. The recruitment process itself encompasses deficient methods of selection. At times political interference short-circuits the process, and alternatively recruiting officers themselves indulge in nepotism and or endemic corruption. Attempts at injecting discipline has often resulted in employees losing motivation⁶ and a subordinate culture that conceals defects of operations from superiors and filters information upward which in turn clouds effective

management and decision making. In its baser form it forces employees curry favours for higher officers.⁷ These illustrations are indicative that the very same factors that were intended to enhance efficiency, discipline, commitment, responsibility, morale have had dysfunctional consequences. [Blau 1956: 31-36] within the Indian Bureaucracy.

In the bureaucracy—corporate interaction, the Indian bureaucracy is perceived by business representatives as: possessing a “can’t do” rather can than “can do” attitude, having an “anti-profit” mentality, having hardly any coordination and communication between various state agencies, [Callebaut 1997] where in the absence of a “single window system” they had to run from pillar to post for government approvals. Bureaucrats themselves admitted that they were mistrustful of business and this was due to overcentralisation of power, inadequate resources, discrepancies between publicised objectives and the measures taken to achieve them and frequent political interference. [Callebaut 1997]

It therefore appears that in adopting the bureaucratic model of governance in post colonial India, we have been presumptuous of the administrative functionality and less critical of its problematic dimensions which cause disruptions especially when they encounter typically Indian cultural and civilisational aspects.

Japanese and Indian Reforms: An Analysis

While analysing reforms, especially of the American “Reinventing Genre” it has to be understood that they are based on the Lockean tradition of classical liberalism which hoists individualism and is based on distrust of government. It is also entrenched in a Keynesian dispensation of economic success and so called egalitarian economic policies which have all but created egalitarianism. Japan and India, the former due to tradition and the latter due to “state welfarism” have reposed faith in a strong state. The elucidation of Japanese experience that precedes this, is purely descriptive and not prescriptive or normative as far as India is concerned, since both countries have different notions or understanding or history of democratic evolution. In Japan, its emergence is linked to fierce nationalism,

defeat, demilitarization and emergence of democracy. [Bhuinya 1971] The emergence of Indian democracy has been through colonial dispensation and its sustenance has been through a supportive elite, that backed the parliamentary and party system which had much semblance to the Westminster model. Here it is possible to find—at a retail level—certain practices, attitudes that may help administrative reforms compatible with our democracy and “stimulate the reformers’ imagination.” [Rohr 1996]

The Indian Government, both at the Centre and the state, share the concern for ensuring responsive, accountable, transparent, decentralised and people-friendly administration at all levels. [Gupta and Tiwari 1997] Accordingly the Dept. of Administrative Reforms and Public Grievances, Government of India circulated an action plan to make administration accountable and citizens friendly; ensuring transparency and right to information; and taking measures to cleanse the system of corruption and motivate civil services. The Operative Recommendations made at the meeting of Chief Secretaries of all states included:

Serving the public effectively and to ensuring efficiency and cost effective administration, reorganisation of work procedures and delegation of powers, establishment of information systems accessible to all, greater transparency and openness in government including enactment of Right to Information Act, information campaigns, Citizens’ Charters, Strengthening of Machinery for Public Grievances, public awareness and participation including participation of groups in governance, Administrative reforms, elimination of corruption, review of service and conduct rules, removal of scope for secrecy and a code of ethics for civil servants. [Gupta and Tiwari 1997]

The Government of India has formally initiated action in many an area to improve governance by setting up Working group on Right to Information, issuing of Citizens Charters by Central Ministries, setting up working group on computerisation of departments, computerization of land records, public Grievance Commission and Directorate of Public

Grievances, Lok Adalats, MPs development fund to facilitate information and communication, and issue of a Code of Ethics for government employees besides prescribing strict action against corruption. In effect, four years after these recommendations were made and action taken, Indian administration is far from either being responsive or efficient.

In the implementation of any reform in India, we have two things to learn from Japan:

1. The unquestionable and *selfless commitment to work* within the old Public Administration Paradigm and *cohesiveness of administration* based on consensus; the group approach; group decision making with participation of lower and middle bureaucracy and coordinated effort in implementation; the informal work culture where working on holidays and overtime is seen as part of social culture as well; and
2. The decisive implementation of the reform in the New Public Management (NPM) perspective, which was done quietly without drama and fanfare and which cut to size a powerful bureaucracy that had wielded power for the best part of 133 years.

The Indian bureaucracy, on the first count, is known for procrastination, shirking work and responsibility, which often drives it into "sin by omission". Public holidays and five-day week and huge pay packets have not inculcated and will not inculcate the passion for work so typical of the Japanese bureaucracy, recruited through the "Tokyo University channel". It can be ensured with meritorious selections, and recruitment of persons with a good education and high commitment. On the second count though we have gone through the motions of meeting of chief secretaries and made and implemented recommendations for bureaucracy reform, there is no political initiative to challenge and take on the bureaucracy and ensure responsiveness due to vote bank politics. The reform package has had no vociferous support from any party or political grouping for this reason.

When initiating or strengthening reform in India, Japan or any South Asian country to begin on a premise of the New

Public Management perspective, of "broken government" at a technical, managerial level, and then moving to fix it with a good dose of "entrepreneurship" would be erroneous. What is needed is to recognise the lack of legitimacy of the bureaucracy and then see if it can be reformed to serve the public interest. This would involve a new conceptualization of its identity and functioning and a revisualization of relationship between the civil servants and the citizens. [Wamsley and Wolf 1999: 5]

The New Public Management perspective and reforms within that perspective run contrary to theories of Democratic Citizenship, Community, Civil Society and organisational humanism and discourse theory which form the essence of democracy. Proponents of the New Public Service perspective [Denhardt and Denhardt 2000] argue that bureaucracy needs to serve rather than steer (*i.e.* help citizens to articulate and their interests); public interest should be the aim and not efficiency; that they should serve citizens not customers because citizens have the right to decide while customers are only the recipients of decisions and finally that accountability should not only be to the market but to statutory and constitutional law, community values and besides professional standards (such as economy and efficiency) most importantly to citizens' needs.

The new reforms in Japan can be criticised on grounds that they merely shift power centre from one executive area (bureaucracy) to another (the politician). It does not appear to (and I may be wrong on this), actively involve citizens in shaping a society (in the Jeffersonian tradition) by providing them complete knowledge of conditions of society along with the political and institutional tools to effect that change. It is not clear if these reforms touch Substantive Democracy⁸ [Box *et al.* 2001] issues such as social justice, economic inequality, positive outcomes and conditions that should facilitate the lives of people and the realization of peoples' political potential through Collaborative Government.

The Market Model of Administration symbolically pretends to save society from the bureaucratic Leviathan to which public service is wed and provides a clean, seemingly apolitical solution to messiness of social life, but what it also does is creates perception of ourselves as individual users of public

goods and services and leads to erosion of social capital. It proposes implicitly, that citizens only duty is to earn money and make product and service choices of goods to their satisfaction. [Box *et al.* 2001: 163] The result is a distortion of public service institutions and Substantive Democracy. In the formulation of Robert Dahl's Dilemma of Pluralist Democracy (1982), it is only possible to mitigate the real problems of liberal democracy (especially in the South Asian context of abject poverty and inequality) by ensuring fair distribution of wealth and making economic decision subject to democratic control (not just efficiency).

Japan's Role in Reforming Governance in South Asia

Japan, just as it resisted the American pressure in the post war years to nationalise industry, should resist the reinventing pressures from American.⁹ New Public Management and play a leadership role in shaping governance in Asia. This is not just resisting Western hegemony, even as America has a tendency to come full circle in its policies or even imagination, but because NPM represents an attempt at encroachment of economics in areas of public administration, with no sensitivity or appreciation of the fundamentals of democratic governance. Japan which is at the forefront of the economic resurgence should develop its own identity in shaping a model of governance with its essential subaltern "Japaneseness", just as it shaped the ideal Japanese capitalist system based on cooperation of sincere and uncorrupted people, in the best Confucian tradition:

The economic slump may be temporary. Japan has to retain its commitment to society and social justice more than economy. No Japanese in his right senses begins with economics. That is an American fallacy. The Japanese begin their calculations with society...[Drucker 2000] Japan has already committed US \$90 million to establish a Japanese Fund for Poverty Reduction to help the Asian Development Bank in poverty alleviation. It also supports various projects and training for support of Democratisation, formulation of Key Government policies in countries such as Vietnam, Cambodia, China, Pakistan, Indonesia, Philippines among others.

Japan has to play a vital part in the recovery of Substantive Democracy ideal and the Public Service Perspective so relevant today as South Asia emerges as the poorest region of the world in the 21st Century and help it to cope with issues of social justice, deprivation, and governmental and bureaucratic accountability which need a primacy much higher than efficiency.

Japan has also to play a part in reinvigorating state institutions [World Bank 1997], by collaboratively drawing up along with South Asian countries, effective rules and restraints for administration, reinvigorating the public sector, designing formal checks and balances to reduce corruption, reform the civil service procedures for better monitoring of official action and developing an Independent Judiciary. Japan as the economic leader in Asia has to itself move the State closer to the people, as an example to South Asian Countries so that citizens are given a voice, there is transparency and rework the traditional "Japanese" consensus to implement programmes though citizen participation.

Rushing along the Western precipice of application of contemporary economic theory to democratic politics could be disastrous for the whole of Asia, especially the marginalised sections, including those of South Asia. Considering its leadership role, Japan has to traverse the "reinventing debate" with considerable circumspection and analysis. While Procedural Democracy, with its prescription of economy, efficiency and effectiveness is desirable, it is important not to lose sight of the old virtues of citizenship and the people's ability to self govern, even in confusing times such as these. Japan has managed a remarkable combination of modernity (democracy and capitalism) and tradition. After strategising a Japanese model of economic success, it has now to chart the course of Public Service Governance Model in Asia, with social justice, accountability and participatory citizenship as its foundational tenets, in collaboration with its South Asian neighbours.

Notes

1. A middle level Japanese official of Japan's Ministry of International Trade and Industry flatly told his American counterpart during trade negotiations in 1984 "Prime Ministers

come and go, but bureaucrats stay. It's the bureaucrats that make the decisions." This was in response to the United States requesting for an explanation of new regulations controlling telecommunications equipment. The Japanese negotiator refused this request even when the Americans told him that the same had been pledged by then Prime Minister Yasuhiro Nakasone to President Ronald Reagan. The official was not only not sacked, the public acquiesced the bureaucratic power play wherein the officials defied the decisions and pledges of politicians. [Komori 1996]

2. The case which exemplifies the Japanese public's present exasperation with the bureaucracy involves the Jusen, the housing loan corporations mostly manned by retired bureaucrats that were set up in the 1970s under the close guidance of the Ministry of Finance (MOF) to supply credit to home-owners. During the so-called "bubble economy," the Jusens started lending large sums of money to real estate speculators, including gangsters, with the result that today some 50 per cent of the Jusens' US \$130 billion loan portfolio is in arrears and the Jusens are de facto insolvent. The MOF bailout plan has meant another some \$6.8 billion from the tax-payers. [Komori 1996]
Another multifaceted case that has especially infuriated the public has been that involving Yoshio Nakajima, Deputy Director of Budget at the MOF. He has been charged with accepting thousands of stocks and shares from financial institutions and with receiving enormous sums of money in bribes from land developers. [Komori 1996]
3. See Akhil Gupta, 1995, *Blurred Boundaries: The Discourse of Corruption, the Culture of Politics and the Imagined State*. In *American Ethnologist* 22(2): 375-402. American Ethnologist Association.
4. Jawaharlal Nehru's speech at the Constituent Assembly, New Delhi on 14th August 1947; as quoted in Jean Dreze and Amartya Sen, 1995. *INDIA Economic Development and Social Opportunity*. New Delhi: Oxford University Press.
5. Also the attempt by India's then Commerce Minister Ramakrishna Hegde to float a new ministry for infrastructure in 1998, when there were already eight ministers looking after infrastructure like railways, surface transport, mines and civil aviation, coal, petroleum, non-conventional energy and atomic power, is a case in point.
6. Questionnaires administered by students of MA Part II of the Dept. of Political Science Goa University to Government employees of some Departments in 2000 as part of the MA

Dissertation reveal that employees play safe by sticking to the rules and do not take any initiatives lest they receive punitive action for any reform or revamp.

7. This obsequious behaviour consists in bringing children home from schools, taking higher officers' wives for shopping in official cars, obliging higher officers by bringing in the official car on holidays without paying for it, as against government rules etc.
8. The ideal of Substantive democracy may be summarized as a setting in which people may if they choose, take part in governing themselves with a minimum interference or resistance (for example from economic or other elites, or administrative "experts") and without being required to assume in advance a uniform or universal set of constraints (such as representative systems of decision making, or the normative, classical liberal view of the proper sphere of citizen action.) [Box *et al.* 2001]
9. New Zealand is often cited as leading the way in implementing NPM in 1984. Subsequently United Kingdom Australia have also implemented some range of reforms consistent with NPM.

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Japan and South Asia: A Critical Appraisal After September 11

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In a move unprecedented in postwar Japan, Prime Minister Junichiro Koizumi made an announcement in September that he would offer the support of the Japanese Self-Defense Force in America's war against terrorism. In a policy speech to the Diet, late September, Koizumi set the tone for the parliamentary discussion of anti-terrorist measures stating "the September 11 terrorist attacks were a despicable attack not only on the United States but also on humanity as a whole" and "our country must make its own efforts to fight terrorism"¹. Stressing that Japan will "cooperate with the international community and take effective measures" the prime minister pledged to implement as soon as possible a seven-point anti-terrorism programme.² The package included a bill giving legal authorization for the deployment of the Self Defense Forces