ABSTRACT

Populist management literature has swung away from an unreasoning adulation of Japan's successful management systems to a questioning of its success as a nation and as an economic system. Nevertheless, even when 'Japanese systems' were being advanced as models of good management for the private sector there was little consideration of the Japanese public sector as a model to be emulated. Further, whilst Japan has adopted many of the 'new managerialism’ tenets (privatisation, streamlining, cost efficiencies, etc) there has been little research of the role of accounting information in this process.

This paper analyses some aspects of Japanese public sector administration with a view to identifying the role of accounting information. It lays the foundation for an analysis of a fruitful set of questions:

- can elements of the Japanese public sector model be usefully applied in non Japanese public sectors?
- what role has accounting information played in Japan’s pursuit of public sector managerialism?

Whilst not having the scope to answer these questions this paper seeks to prompt scholarly enquiry as to why the role of public sector accounting seems markedly different in Japan than in other developed economies transgressing through an almost ritualistic process of managerialism. The foundation of this paper is that inspite of cracks appearing in recent times there is still substantial evidence that Japan’s public administration has been successful and that at least one factor contributing to this success is its emphasis on program evaluation. The role of program evaluation is speculated as being capable of providing an insight into the reasons why new public sector accounting technologies have not played a prominent role in Japan’s public sector reforms used to implement managerialism.

ACKNOWLEDGMENTS:
Preparation of this paper has only been possible with the kind and generous assistance of Southern Cross University, Mr. Mr Hisao Tsukamoto, Assistant Director, Management and Coordination Agency and Professor Tsuyoshi Hiramatsu, Professor of Law, Kwansei Gakuin. Of course the views expressed in this paper are mine alone and they do not necessarily reflect the opinions of any person associated with the paper’s development.
Introduction

Accounting can be considered in isolation of its context or it can be viewed as having an impact on (and being impacted by) specific contexts (Hopwood, 1985). Broadbent & Guthrie describe the former approach as being “the technical approach ... (which) assumes that accounting is a powerful force for change and perceives the context within which it exists as unimportant” (1992: 6). In preference to the technical approach some researchers have retained a technical focus but have included as variables in their analyses the specific contexts of change; Broadbent & Guthrie (1992) describe this approach as “technically contextual accounting” (1992:11) and they provide a most useful review of ‘alternative’ accounting research that has adopted this approach.

Technically contextual accounting applied to the public sectors of countries such as Australia, the UK and USA has been used to examine the role that accounting technologies have played in the adoption by the public sector of managerialism. Managerialism is based on a fundamental view that the market provides a better means of organising the public sector than does the traditional approach (Broadbent & Guthrie, 1992). It has been a pervasive change in a number of countries and the question naturally arises as to what role accounting has played in this change. Typically the accounting developments which have occurred at the same time as the move to managerialism have been termed ‘new accounting’ which “differs from past accounting practices in its promotion of program budgeting, enhanced annual reporting, performance indicators, asset registers, the introduction of accrual accounting and performance auditing” (Parker & Guthrie, 1990: 114).

In their review of some of the ‘new accounting’ research Broadbent & Guthrie (1992:15) cite Parker & Guthrie (1990) and Guthrie (1991) to note the argument that “the new accounting technologies respond to and embody the managerialist philosophy ... (which can be traced) back to the idea of ‘accountable management’. The emphasis of ‘traditional’ accounting in the public sphere was on input controls, control of expenditure in terms of appropriations and ensuring that moneys were spent without fraud; in short a stewardship role. The ‘new’ accounting is one of creating, measuring and recording the elements of efficiency, cost saving, productivity and performance. The argument is that recent reforms in the Australian public sector have promoted accounting as one of the technologies (alongside, for example, machinery of government changes) by which these changes have been promoted and put into practice. These changes imply a dramatic change in the focus and modes of operation of public sector activities.”

This paper notes an interesting divergence from the ‘alternative’ accounting research: whilst Japan’s public sector has moved down the managerialist road a ‘new’ accounting has not developed as a support mechanism for that movement or at least its degree of support is much less than has been observed in other public sectors. The question arises as to why? Taking a broad contextual view may provide an answer and it is postulated here that relevant explanatory factors are the Japanese approach to public sector program evaluation1 and some unique aspects of Japan’s culture and history on its administrative system.

1 Program evaluation is an analysis which reaches conclusions about the efficiency and effectiveness of a program where a program is any set of coherent activities designed to achieve a predetermined objective/s; for a reasonably succinct discussion of the nature of program evaluation, see Chelimsky, 1985.
This paper provides some contextual description of Japan’s public sector and then considers its efficiency and effectiveness before explaining its approaches to program performance evaluation. This discussion provides the foundation upon which Japanese public sector technically contextual accounting is partly examined so as to postulate why it has not provided the level of support to managerialist changes as has been observed in other public sectors.

**Japanese public sector and its move to managerialism**

This paper does not attempt to review the large body of literature regarding Japanese management practices in general (for a limited set of examples see: Dore, 1973; Thurow, 1985; Vogel, 1980; Ouchi, 1981; Pascale & Athos, 1981) nor does it traverse the ways in which Japan’s history and culture has impacted on its public sector (Tsuji, ed., 1984; Maheshwari, 1987; Koh, 1979; Jun & Muto, 1995; Koh & Kim, 1982). Instead it attempts to briefly outline the move towards managerialism and then to relate that move to its use of accounting information.

For some time now at the national level of the Japanese public sector a major domestic political issue has been "administrative reform". In the 1980's, Mr. Nakasone, arguably the most powerful Prime Minister of recent times was the inaugural head of the body responsible for ensuring an efficient public administration and as Prime Minister he held a number of wide ranging commissions and enquiries to determine ways of improving public administration (Wright & Sakurai, 1987:129). These enquiries complemented the work of the Second Provisional Council for on Administrative Reform and developed firm proposals for reform which covered the principal areas of:

- privatisation of major public corporations including the national railway and communications
- a number of Personnel Reduction Plans resulting in a net decrease over the last 14 years of 41,061 national public service employees (Institute of Administrative Management, 1996: 12)
- reorganisation, consolidation and rationalisation of administrative organisations such as the Management and Coordination Agency
- reform of various public sector systems such as the pension system
- reform of public financing so as to cut the dependence on deficit bonds.

Administrative Reform issues collectively constitute Japan’s move towards managerialism in its public sector. The managerialism movement has created a great deal of heat and energy (including some city bombs, suicides, national strikes and general unrest) and elements have not been easily ‘sold’. Some elements of the bureaucracy have succeeded in defeating parts of the Administrative Reform agenda (Yoshida, 1998), nevertheless, the call for Administrative Reform as a whole has been well received such that it has become a keystone in a number of administrations’ efforts to improve popularity with the electorate. The fascinating issue for this paper is what role new accounting technology has played in the Administrative Reform movement and why that role appears different to the role observed in other developed economies.

**Japanese public sector accounting and managerialism**

Broadbent & Guthrie note that “accounting in contemporary Western society appears to becoming more and more pervasive. Changes all over the English-speaking world attest to the extension of the ‘new’ accounting technologies into areas (including the public sector) where it had not been found before” (1992:25). Examples of this pervasiveness can be found in various public sectors where an emphasis has been given to ‘new accounting technologies’ such as program budgeting, accrual accounting on both whole-of-government and departmental bases, performance indicators, performance audits, risk-return analyses at an organisational level, and so on.

In Japan there has only been limited use of accounting information and technology to influence decision makers and the general population. This has included an emphasis on national public
accounts and government fiscal debt in the context of an aging population and the use of profit and loss statements to justify an expanded program of corporatisation and privatisation of public corporations (Institute of Administrative Management, 1996: 22). However, the more important justifications for change have not been accounting based ones but instead have been described by the government in a long series of ‘administrative reform’ initiatives (described below) as being:

- development of internationalisation
- increasing age of the Japanese population
- development of information technology uses

There has also been explicit rejection of the underlying rationale used in the west to justify managerialism. For example, a former MITI vice minister is quoted

“the basic question is whether we can trust the ‘invisible hand’ of the profit motive to ensure social justice and welfare of the people. Historical record has shown consistently that we cannot ... We can’t just chant the mantra of free competition or brandish the cross of market economics” (quoted in Jameson, 1997: 14).

Before describing the alternative force that has acted to reduce the need for an accounting based justification of administrative reform, this paper will assess the success of Japan’s public sector in terms of its efficiency and effectiveness. The level of past success may be a relevant factor in explaining why accounting has not been used as a primary justification for public sector managerialism in Japan.

**Success of Japan's public administration**

In the 1980’s and early 1990’s, Japan was often held out as an example of efficient management systems to the western private sector. Numerous study trips were organised, many books were published (eg. March, 1992; Vogel, 1985; Reischauer, 1977; Thurow (ed), 1985; see also Dickson's (1986) review of some contributions in this area), visiting lecturers sung the praises of Japanese management and a debate ranged as to whether non-Japanese organisations could ‘transplant’ Japanese management in the context of a western culture (Kono, 1982; Kreigler & Wooden, 1985; Okumura, 1984; and Giesecke (ed), 1985, for an alternative view).

The level of interest in Japanese management has fallen as Japan has grappled with a series of no-growth years in recent times. Nevertheless, an interesting contrast to the high level of past interest in Japanese private sector management has been the fact that rarely was the Japanese public sector used as a role model for western public administrations. The reasons for this could be that it is a poor role model because it is inefficient or ineffective; alternatively, perhaps it is not used as a role model because it is poorly understood in the west. As discussed in the next section, it can be argued that it has been neither markedly inefficient nor ineffective and so a lack of understanding or a belief in ‘non-transferability’ must explain why western public administrations did not follow their private sector counterparts in examining lessons to be learnt from Japanese management.

**Efficiency of Japan’s public sector**

Firstly, it is useful to examine the tricky issue of efficiency. It is not fruitful to examine relative efficiencies on an international level because the provision of government varies so greatly in terms of types of services, levels of responsibilities, who does what, how policies are formulated, and so on. The comparisons soon lose meaning. However, it is illustrative to take a time series examination of the same system to determine if it is improving its efficiency (without necessarily drawing conclusions about relative international efficiency).
One parameter of efficiency, albeit a one-dimensional view, is the number of people employed in public administration (this approach is analogous to simple overhead analyses at a micro level where the number of administrative employees is compared to the number of ‘productive’ employees). In the case of Japan, the number of employees has fallen since 1967 whilst the government share of GNP has risen. In very simplistic terms this is indicative that the proportion of taxes spent on administering the system of government is falling. In the period 1957 to 1985 Japan's national civilian employees grew by 31% compared to Australia's growth in Commonwealth civilian employment of 99% and State and Local employee growth of 124% in the same period (Australian Bureau of Statistics, 1985: K14). The slight decline in total public sector employment is in fact a major success since over a similar period virtually all other western governments had large increases in the number of public sector employees with the costs of their administrations following closely behind.

From the middle of the 1980's, as an explicit policy move within Administrative Reform, the Japanese have planned to reduce the growth of their public administration. They have detailed information on areas in which staff cuts have been achieved (a reduction of 183,000 staff between 1968 and 1985; Management & Coordination Agency, 1985:12) and areas of high priority or policy initiative where staff numbers have been increased (160,000 since 1968). This demonstrates the explicit way in which resource use is examined in public administrative systems and that it is correlated with priorities. It should also be noted that this time series data has not been greatly influenced by window dressing changes whereby classifications of public employment are changed even though there has been less control over the subsidiaries of public corporations (Kato, 1995: 58).

The record of constrained staff increases in a period of expansion of government demonstrates that Japan has been on a trend of improved efficiency. Whilst this does not prove that Japan's present day public administration is a model of high absolute efficiency, it does indicate successes in efficiency achievements that are enviable and so holds the Japanese model as one being worthy of further investigation by other public administrations.

**Effectiveness**

Effectiveness is even harder to assess than is efficiency and the assessment here is unashamedly subjective and unquantified. This assessment revolves around two opposing views, firstly that the public sector is effective because it is closely associated with societal forces and secondly it is ineffective because its strong associations with elements of society have caused it to be 'captured' and so lose its accountability to society as a whole. These are powerfully opposed points of view and the only general conclusion available is that in Japan's legendary post-Korean war economic successes, some credit must be attributable to the decision-making of Japan's public administrators.

The question of how much credit to ascribe to the public administrators for Japan's successes is a complicated one that may never be fully resolved except to at least concede that they have created an environment in which economic development has not been impeded (numerous discussions on this matter are found in Thurow (ed), 1985; Franko, 1984; Ohmae, 1985; Vogel, 1985). Indeed, authorities have argued that the special relationship between the bureaucracy and business has been significant in explaining Japan's rapid economic success; this is referred to as the ‘Japan Inc.’ thesis and it partly relates to the process of government in Japan (Reischauer, 1977; Curtis, 1975).

The Japanese process of government is more explanatory in determining the level of public sector effectiveness than it is in the west because of a greater integration of these processes and society in Japan. This thesis is outlined in an interesting treatise on crime, prostitution, social outcasts and other unusual aspects of Japanese social policy by Buruma (1985). Fundamental to Buruma's view of
Japanese government processes is the concept of harmony in working together for interests that are wider than sectional representations (Pascale & Athos, 1981).

In a growth economy ‘consensus’ policy making is successful since no single interest group has to lose too greatly in the competitive process for resources and a united but flexible society results. Further, there is a very strong force behind such consensus policies and their implementation becomes powerful; in contrast, the development of policies is a weak process in which the government must play its role as part of society and so is impeded from taking a firm stand and giving leadership outside of society in times of difficulty.

A useful case study in the area of public sector input to policy making is McKinnon & Harrison's paper (1985) on development of public disclosure accounting policies in Japan. The role of the powerful Ministry of Finance is shown to be subservient to the consensus process in which the business sectors' views are a major input and "the process of policy determination accommodates the maintenance of the long term collaborative relationship and the ‘balance of forces’ between the Japanese bureaucracy and the corporations" (McKinnon & Harrison, 1985).

In Japan, illustrative of the close business-government relationship is the fact that there is virtually no consulting industry providing seminars and other services to remove the mystery from doing business with the public sector. This forms a sharp contrast with Australia and the US where the private sector has difficulty in understanding bureaucratic processes leading to periodic seminars and publications on dealing with government (Binkowski, 1990). This is further evidence that Japanese governments and their administrative processes stand as integral parts of Japanese society. This is reinforced by “institutionalised cooperation between the state and organised groups in the business of government” (George, 1982:44). An element of this cooperation is the common practice of amakudari (literally ‘descending from Heaven’) where a senior officer retiring from public administration is assured of a senior appointment to one of the large companies or institutions with which he has dealt during his public administration career. In fact, there is a strong and influential network of ex-Ministry officers (almost exclusively male) who become loyal company employees at a senior level and join colleagues from their old Ministries in the management of powerful companies. With practices like these and the cultural basis for the maintenance of harmony (Pascale & Athos, 1981), it is not difficult to appreciate why a strong sense of consensus is found in Japan.

Another important aspect of Japanese public sector effectiveness is that it uses formalised interest groups as agents of intervention and control to such an extent that these groups become committed to supporting the implemented policies (George, 1982). They lose the strategic option to oppose administrative mechanisms and so the ability of public administration to implement agreed policies is consequently improved. Whilst this may improve the effectiveness of Japan's public administration it also makes assessment of effectiveness a very difficult matter because one needs to examine Japanese society as an integrated whole rather than simply extracting Japanese public administration.

An opposing view on effectiveness
The argument regarding Japanese public sector effectiveness is not without controversy. Against the arguments that Japan’s public sector is effective are aligned the arguments that it is ineffective largely because it is too close to business interests. These arguments accept the thesis of harmony and consensus but they reach different conclusions. For example, Hiramatsu advances the argument that the need for consensus is

“one of the main reasons why Japan is not playing a positive part in international politics. It reveals a deficiency in the area where government should lead public opinion ... political leaders in Japan, including the prime minister, are traditionally chosen on the basis of their
ability for political leadership (instead of) their ability to unify or mediate various interests
and to make compromise deals” (1988: 11).

In recent times a series of corruption scandals have intensified controversy about the effectiveness of
Japan’s public sector. The essence of the corruption allegations is that practices such as amakudari
which cause the collaborative relationship discussed by McKinnon & Harrison (1985) have resulted
in a loss of accountability amongst elements of the public sector. The most recent crystallisation of
this argument has been provided in a series of arrests of Ministry of Finance officials accused of
providing advance warning of financial institution investigations in order to protect those financial
institutions (Boyd; 1998). In a reasonably typical expression of popular opinion on the matter of
corruption at the higher levels of the Japanese public sector, the Asahi Shimbun editorialised about
the meaning of competency and argued that

“‘competent bureaucrats’ are climbing the spiral staircase at the center of the iron triangle of
politicians, bureaucrats and businesses” (December 16, 1996).

In recent times the thesis of ‘Japan Inc.’ has come under attack from Japanese commentators both
outside the public sector (Miyoshi, 1997; Yoshida, 1998) and commentators who were previously
‘insiders’ within the Japanese bureaucracy (Miyamoto, 1994; Sakaiya, 1997). Miyamoto’s criticism
of the Ministry of Health and Welfare is quite scathing of the personal impacts and organisational
debilitation that results from messhi hoko or self-sacrifice for the sake of the group. Non-Japanese
commentators have also presented the viewpoint that the formula for Japan’s success needs
questioning (Kersten, 1997) and that Japan’s public sector is a secretive and exclusive mechanism
that is causing more harm than good (see Hartcher, 1998 for a discussion of the MOF which has
become quite pertinent in view of the recent allegations regarding that powerful Ministry). Analysis
has also postulated that the strength of close cooperation between industry and the public sector may
be both an advantage and a disadvantage (Morris-Suzuki, 1995). Altogether it must be noted that
there is an increasing body of work arguing that Japan’s public sector is not as effective as it could be;
some of this work is researched (eg. McCormack, 1996; Matsubara, 1996) whilst some of it is
rather subjectively based with less supportive evidence than is justified by the complexity of the

Whilst the argument as to the effectiveness of Japan’s public sector is inconclusive and is most
probably changing, an examination of Japan’s record of achievement in moving from a country with
widespread starvation in 1945 to the second richest country in the world in 1997, indicates that the
processes of public administration have not held back economic development. Although western
critics may point to difficulties in Japanese society such as cramped housing, youth suicides and
rising murder-suicides (murishinju), repressed role of women and restrictive educational processes, it
may be argued that these matters are only evidence of Japan’s failure, together with all other societies,
to reach utopia and to deal with problems generated by an unhealthy pursuit of high growth
(McCormack, 1996). Against these criticisms, Japan's social development is characterised by notable
achievements in low crime rates (especially anti-person crime), effective responses to high priority
issues such as preserving cultural heritages, reducing motor accidents, expanding tertiary education,
reducing pollution, and developing an increasingly important international political position.

Whilst the conclusion regarding effectiveness might be problematic (Elliot, 1996: 49), of particular
interest to this paper is the role of program evaluation as a contributor to the efficiency and
effectiveness of Japan's public sector. Although this is an issue which requires significantly more
research, the remainder of this paper gives a description of the importance of program evaluation and
explores some evidence which indicates that it has a causal relationship to the successes of Japan's
public sector. The primary interest for this paper in program evaluation lies in its possible
explanation as to why new accounting has not been at the forefront of a justification for managerialism in Japan; however, program evaluation as performed in Japan may also hold tantalising lessons for non-Japanese public sector administrations.

**Importance of program evaluation in Japan's public sector**

In terms of the resources devoted to program evaluation and the influence of its results, program evaluation is a significant feature of Japan's public sector. This section describes the organisation of program evaluation in Japan and the ways in which its results are used in the public sector management process.

**Structure of Program Evaluation**

The structure of performance reviews in Japanese public administration is reflected in four types of review:

i) external efficiency and effectiveness reviews conducted by the Management and Coordination Agency;

ii) external review of budget performance by the Budget Bureau of the Ministry of Finance;

iii) external financial compliance audits by the Board of Audit;

iv) internal efficiency and effectiveness reviews conducted by special units within departments and public corporations.

**Management and Coordination Agency**

The Management and Coordination Agency plays the most important role in performance of external evaluation and whilst it has a number of functions this paper will deal only with the functions related to program performance review as performed by the Administrative Inspection Bureau (AIB) and the Regional Administrative Inspection Bureaux.

The Agency is a high-ranking arm of administration and has enjoyed significant political importance from its beginning when it was headed by the Chief Cabinet Secretary and right-hand man of the Prime Minister (Wright & Sakurai, 1987) through to very recent times. Recent evidence of the importance of this Agency was provided when a major public and political uproar resulted in a politically tainted head being dismissed within days of his appointment because of the perceived importance of such a posting.

The Agency has government wide carriage of performance review with related major reform issues. The Agency's functions are performed at a national level from Tokyo and a local level from regional and local offices of the Agency's Administrative Inspection Bureau.

The Agency's evaluation operations are conducted to:

i) determine the appropriateness of organisational policies and systems;

ii) determine whether policies are being implemented as originally intended; and

iii) determine fairness and efficiency of operations, and the effectiveness of policy results.
Administrative Inspection Bureau (AIB)  
The AIB conducts evaluation activities in three ways:  
i) administrative inspection;  
ii) surveillance of governmental activities; and  
iii) administrative counselling.

Some of these activities sound familiar but they have uniquely Japanese aspects about them as well. Administrative Inspection is similar to management audits now found increasingly in western public sector administrations. The AIB has absolute authority to obtain whatever records it requires for its inspections which have a broad scope examining issues of efficiency, whether objectives were achieved and the effectiveness and adequacy of the program. The inspection reports are presented to Ministry Heads and their responses must be lodged within three months; after a further six months actions taken as a result of the inspection are reported by the Ministry to the AIB. Inspection reports are made available to other government departments as well as the public and special interest groups (in turn, these groups may be called upon to assist in the implementation of some changes if appropriate; George, 1982).

A major task within the AIB in recent times has been inspections aimed at Administrative Reform. The central goals of simplifying the ways in which government administration is undertaken and reducing the burden of government on the private sector have resulted in inspections that have recommended administrative reforms and have formed important inputs to the high level Administrative Reform Council, headed by Prime Minister Hashimoto (Aita, 1997). For example, the number of licences, the volume of data collection from the private sector, and organisation of some public corporations have been changed as a result of inspections by the AIB. These inspections increasingly cut across organisational jurisdictions and influence the affairs of a number of Departments.

The AIB's surveillance role encompasses gathering of data on government organisations and monitoring of local conditions that may become relevant for inspections. This is done in connection with the reasonably unique system of administrative counselling (see below).

Administrative Inspection Bureau Annual Program  
Each year an annual program of some 20 national reviews is selected from issues that generally fall within the following:  
• major government policy programs requiring effective implementation  
• areas needing improvement in financial and managerial performance  
• areas needing to improve coordination between agencies  
• phase down of obsolete programs  
• areas causing concern to Regional/Local Agency offices  
• areas where the mass media has highlighted problems in administration.

In addition to the programmed reviews, a number of special investigations are conducted in case of emergency. The program is often used as a vehicle in which to advance progress with special high priority issues. For example, central inspections in recent years have related to elements of managerialism such as rationalisation and efficiency in government administration, examination of new government programs, and improvement of regulatory administrations. Since 1988 a system of scheduling themes for reviews was introduced such that a three year plan of reviews is announced each October with the last two years of that plan being subject to re-examination in light of environmental changes (Institute of Administrative Management, 1991: 126-128). The themes for reviews are selected on the basis of those above and do not appear to have received support from new
accounting technologies as predicted by the literature related to western public sector change (Broadbent & Guthrie, 1992). The non-accounting emphasis provided in these reviews is shown in a consideration of the review techniques used including in the main:

- analysis of personnel deployment between organisational growth and decline sectors
- examination of performance against the organisation's 'Personnel Reduction Plan'
- review of staffing (as part of the annual budget cycle)
- promotion of potential computer applications and coordination of government information systems
- inter-organisational comparisons (mostly ratio analysis)
- analysis of effectiveness of organisations and policies
- promotion of personnel policies and work ethics
- complaints analysis
- zero based organisation review.

**Program Evaluation Resources**

The level of resource use on explicit program review is high and is seen in the number of staff found in formal, centralised review organisations. The evaluation arms of the Management and Coordination Agency have a staff of 1,200 (Tsukamoto; 1995:4). This number excludes the 5,046 voluntary Administrative Counsellors and review staff found in each of the operational Departments. The total of about 6,250 officers devoted to external non-financial compliance review is an impressive proportion of resources devoted to explicit review. It should be noted that this excludes the Board of Audit which has a staff complement of 1,226; that is, the resources devoted to broad comprehensive evaluations are far greater than the resources devoted to the more traditional financial audits.

**Administrative Counselling**

The most striking feature of Japanese program evaluation is the administrative counselling procedure. It combines a complaints or quasi-ombudsman system with a program evaluation process in a way that reinforces both. The widespread location of administrative counsellors and the consequent ease of public access provides an effective indicator of public administrators' performance which is then used to identify issues requiring review. It is an efficient process because it is based on volunteers but more importantly, it is an effective process because the volume and type of complaints point the evaluation process towards the most important issues.

The main characteristic of administrative counselling is that local counselling centres (often in department stores etc.) are manned by citizens of some local standing to receive complaints from the public and deal with these directly. This may require recourse to local officials, negotiation with Department headquarters or referral of the more significant matters to the AIB's inspectorial group. There is a high volume of complaints and matters dealt with (228,306 in fiscal year 1994; Institute of Administrative Management, 1996: 63) and they can become a valid indicator of more basic problems such that “analysis of cases and their causes is useful in detecting basic illness and striking at the root of maladministration, not just in setting individual grievances” (Administrative Management Agency, 1984:235). This analysis is assisted by the professional officers of the AIB staffing its local offices and also carrying out administrative counselling duties.

There is a broad range of issues dealt with in the administrative counselling process although not unexpectedly, the majority of cases relate to matters of priority concern focused on local issues such as roads, traffic safety and the environment and hygiene. In addition to complaint cases requiring some specific improvement on an unfavourable decision administrative counsellors receive and
handle enquiries on laws, regulations and/or procedures to complete their picture of what is important to the general population.

Whilst administrative counselling helps to ensure that major issues are examined at a national level, it also ensures that local issues are dealt with directly so that citizens have increased reason for maintaining confidence in their public administration system. This is not to say that public confidence in the public sector is high at times such as the present when controversies regarding corruption and so on are increasing. However, other things being equal, it is a strong argument that the administrative counselling system increases public confidence. One caveat that should be placed on this argument is that in a number of cases the administrative counsellors will feel pressure from the forces of harmony in Japanese society to smooth over injustice and to avoid confrontation (Hiramatsu, 1988:16). Nevertheless, Hiramatsu notes that the administrative counselling system is “evaluated highly by some scholars” (1988: 11) and given its volume of cases it provides a confidence-building mechanism.

A further strength of the administrative counselling system is that it facilitates the collection of information which is useful for a comprehensive review of performance. Each Counsellor helps to develop an informed assessment of the delivery of services on a regional basis. Relevant regional factors may be taken into account when assessing common measures (such as pupil to teacher ratios, crime statistics, health performance etc.) whilst at the same time the administrative counsellors ensure these matters are measured in a valid and consistent manner across the nation. The Australian situation stands in contrast to this since there is often a lack of data for major program evaluations - for example, as Hughes pointed out over 13 years ago, cost comparisons between education institutions in Australia are simply not available (Hughes, 1985:38). In more recent times advances have been made by the Council of Australian Governments (COAG) in the reporting of performance data but there are major difficulties in making comparisons across jurisdictions within Australia and what information is available “needs to be treated as indicative and interpreted with caution” (Steering Committee for the Review of Commonwealth/State Service Provision, 1995: 20). This question of data is important if any of the matters being measured emerges as an issue requiring further review. Also, if reviews determine desirable changes, the implementation of these changes in different regions is capable of being tailored to specific features of the regions.

The application of administrative counselling seems to work as a result of four important features:
- it is linked with external review mechanisms;
- counsellors' investigations tend to be short, case specific and non-legal, aimed at specifically dealing with the issue of concern to the citizen;
- counsellors are charged with collecting information on the quality of delivery for the full range of government services in their geographic area and need close assistance and well developed information systems from each organisation operating in that region; and,
- data collected by counsellors is available to central review organisations together with analysis by the counsellors as to patterns that have emerged in the matters of concern raised by citizens.

Administrative counselling and advocating managerialism

Administrative counselling is an effective means for the government to both understand and respond to public demands with respect to public sector performance. Since it identifies issues of concern it allows the political process to be seen to be active in regard to those concerns. Linking the administrative inspections with the pillars or ‘Fundamental Principles’ of Administrative Reform (Institute of Administrative Management, 1996: 11) has been an outcome of the operation of administrative counselling. In this sense it can be argued that, in contrast to the west, the justification for managerialism has not needed to be ‘new accounting’ hence in Japan there has not been
widespread promulgation of new accounting techniques in the public sector. This point is speculative and inherently untestable since administrative counselling is an integral part of program evaluation in Japan; if it were not the case would we observe new accounting in Japan as we do in most English speaking developed economies?

CONCLUSION

The analysis of Japanese public sector accounting and managerialism is a fruitful area for further research. It promises to provide insights into

- the way in which systemic program evaluation can lead to an improved public sector,
- the usefulness of a system of administrative counselling outside Japan
- the reasons why ‘new accounting’ has not been prominent even though growth of Japanese public sector managerialism has mirrored the West.

As noted by Broadbent & Guthrie (1992) there is a small set of literature in the field of contextually technical accounting. The set of literature on Japanese contextually technical accounting applied to its public sector is an even smaller set yet it promises to be a useful area for further research.
REFERENCES


Australian Bureau of Statistics (1985), Time Series Data - Civilian Employees, ABS Cat. 6248.0.


Forster, J. & Wanna, J. (ed.) (1990), Budgetary Management and Control: The Public Sector in Australasia, Centre for Australian Public Sector Management, Griffith University, Nathan.


12


Koh, B. (1979), "Stability and Change in Japan's Higher Civil Service", Comparative Politics, April.


Vogel, E. (1980), Japan as No. 1: Lessons for America, Tuttle, Rutland, Vermont.


