Japan’s Civil Service System Needs Reform: 
Human Resource Development in Transition

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Abstract

The current cry for civil service reform in Japan has emerged partly from two negative perceptions held by the electorate regarding government bureaucrats. First, Japan’s central bureaucracy has a tradition of elitism, dating from the nineteenth century, in which the best and the brightest in the country are encouraged to serve in one of the select corps in the national government. The recruitment system reflects this tradition, assuring that only these highly talented people become government bureaucrats. Recently, however, a number of shortcomings in this elite bureaucracy have become known. There have been several incidents revealing many privileged officials involved in scandals and corruption. Further, many of these elite corps have demonstrated a lack of basic management skills in government. Increasing numbers of Japanese have begun to believe that bureaucratic mismanagement has contributed to the recent decline of the economy. Against this political backdrop, this paper describes Japan’s current civil service reform from several perspectives. First, it briefly delineates the historical development of Japan’s elite-based central bureaucracy. It will then discuss the recruitment and promotion patterns of bureaucrats in the central government. This is followed by several reform concepts that are currently under consideration. With an analysis of differences and similarities in Japan’s reform efforts from those in other democracies, the paper attempts to place the Japanese case in a comparative perspective.
INTRODUCTION

The current cry for civil service reform in Japan has emerged partly from two negative perceptions held by the electorate regarding government bureaucrats. First, Japan’s central bureaucracy has a tradition of elitism, dating from the nineteenth century, in which the best and the brightest in the country are encouraged to serve in one of the select corps in the national government. The recruitment system reflects this tradition, assuring that only these highly talented people become government bureaucrats. Recently, however, a number of shortcomings in this elite bureaucracy have become known. There have been several incidents revealing many privileged officials involved in scandals and corruption. Further, many of these elite corps have demonstrated a lack of basic management skills in government. Increasing numbers of Japanese have begun to believe that bureaucratic mismanagement has contributed to the recent decline of the economy.

In light of these problems, much of the Japanese public has begun to doubt the validity of the current civil service system, and has called for a reform in the orientation and training of public officials. In the age of globalization, taxpayers hope for public officials with global perspectives, international vision, and a strong sense of public mission.

Second, Japan’s central bureaucrats traditionally command substantial powers in law making and national finance. On average, they create more than ninety percent of the bills that are approved by the national legislature: the elected members of the central legislature appear virtually subservient to the national bureaucrats. With regard to the national budget, the role and function of the Ministry of Finance has been virtually indispensable: until recently the Ministry controlled both budget formation and allocation. Consequently, Japanese lawmakers working for the benefit of either their constituencies or support groups have usually had to court the favor of the Finance Ministry, seeking preferential treatment.

Similarly, local government officials such as governors and mayors are required to fly to Tokyo to solicit financial help from various central agencies. According to one survey, local governments send chief executives and various heads of the administrative branch to Tokyo more than one thousand times annually, primarily to lobby and petition the central agencies. In their frequent pilgrimages, these government representatives bring offerings from their local cuisines. A governor whose district is famous for crabs, for instance, will likely bring these delicacies with him when he visits the Ministry of Finance. The cost of the gifts is from local government coffers.

Instances such as the foregoing have helped to create both a negative image of elected government members, and a perception of arrogance among national bureaucrats in Japan. To the voting public, national and local government representatives appear extremely fragile, given that non-elected bureaucrats are virtually running the country. A number of national legislators, increasingly aware of the problem, have initiated several reforms intended to curtail the power of public officials, and to increase the role of elected members in law making and budgetary processes.

Against this political backdrop, this paper describes Japan’s current civil service reform from several perspectives. First, it briefly delineates the historical development of Japan’s elite-based central bureaucracy, and then describes the recruitment and promotion patterns of bureaucrats in the central government. Several reform concepts that are currently under consideration follow. With an analysis of differences and similarities in Japan’s reform efforts from those in other democracies, the paper attempts to place the Japanese case in a comparative perspective.

HISTORICAL BACKGROUND
The current Japanese civil service system originated during the Meiji period (1868-1911), a time in which, as part of an effort at modernization, Meiji leaders organized a central government bureaucracy. It is important to note that government organizations initiated during this period had, as a common objective, both the increase and perpetuation of imperial rule. Both organizations and staff were intended to entrench the imperial foundation and expand the power of the sovereign.

To assure their objective, in 1878 the architects of Meiji Japan created an educational institution, the University of Tokyo, as a training ground for Japanese central bureaucrats. From the outset, the school was designated to supply talented public officials, whose function was to implement imperial rule throughout the country. As gatekeepers of the Regency, graduates of Tokyo University were accorded several prerogatives. For a long period, the civil service exam was waived for these alumni, although they were intended to assume posts in the top echelons of the Meiji government. Conversely, private school graduates were required to take this strenuous exam, but their status in government remained mediocre.

Tokyo University graduates also enjoyed several formalized social privileges. When they were invited to the imperial court, for instance, protocol required placing them ahead of elective members of the national legislatures. Until the end of WWII, the legislators were regarded as secondary, their social status considered inferior to that of these elite government officials. One rationale for this social rank order was the belief that the bureaucrats were close to the imperial throne, and therefore more important than the lawmakers. Further, the legislators were primarily members of political parties, politicians who frequently opposed government policies. They were, therefore, seen as inimical to the interests of the imperial rule.

These elite bureaucrats were also usually nominated to the Upper Chamber as members of Parliament. In pre-war Japan, the Upper House, or the House of Peers, had substantial power over the law-making functions of the Lower House, or House of Representatives. In effect, the Upper House acted as watchdog over legislative functions, ensuring that laws and budgets created in the Lower House were in line with imperial demands (Konishi, 2001: 61-83).

Pre-war data substantiate the privileges that these limited few enjoyed. From 1889 to 1947, 9,565 students qualified for the higher civil service exam, of which University of Tokyo graduates comprised more than 5,969 (62.4%). Another imperial institution, the University of Kyoto, followed with 795 qualifiers (8.3%). Private university alumni accounted for only a fraction of the total, with 444 qualifiers, (4.6%) (Konishi, 2001: 61-110). Further, of Japan’s twenty-one prime ministers between 1918 and 1945, twenty were former elite bureaucrats. During the same period, more than 180 people served as cabinet ministers, of which 129 (68.6%) had official government experience before moving to the political sector (Tomita, et al., 1981:235-256).

The power of Japan’s bureaucrats increased substantially following 1937, the year that the government began placing all economic activities under public control as part of the war effort. To implement its policy of economic nationalization, the government multiplied the size of bureaucracy, and the buying and selling of even ordinary items such as cigarettes, clothing, matches, etc. became highly regulated. This enlarged range of government regulations penetrated deeply into the daily lives of ordinary Japanese citizens (Johnson, 1995: 115-140).

Following World War II, the American-led Occupation tried to eliminate or revamp many of Japan’s imperial traditions and social legacies. Subsequent to the dismantlement of the military, the Japanese government, under the tutelage of the Occupation forces, launched a series of measures to foster democracy. In 1946, for instance, monopoly capitalism was dissolved, labor unions were legalized, and women were fully enfranchised. Untouched, however, was the central bureaucracy, which remained free from any reform attempts.
The Americans feared that the changes they were implementing could become highly expensive, and might face stiff opposition, unless they could rely on the help of Japan’s national bureaucracy. From the outset, therefore, the Americans decided to take advantage of the existing government apparatus to smooth the transitions that were taking place in Japan. Subsequently, although many important groups were eradicated in the aftermath of the war, not only did the bureaucrats survive, but they also remained as the most essential organization to revitalize the war-torn country. Primarily for this reason, Japan’s central government was able to keep its pre-war legacy and maintain its traditional mode of operations.

As discussed in detail later, the pattern of elite bureaucrat recruitment is one pre-war heritage that remains under current government function. Compared with other industrialized countries, Japan’s bureaucracy, numbering approximately 4 million, is of relatively modest size, the smallest bureaucracy among the OECD countries, according to a study by a research institute affiliated with the central government. It claims that approximately 820,000 of the bureaucrats are public officials in national agencies, while roughly 3.2 million work for local governments. In terms of population, the same report notes that there are thirty-six public officials per 1000 Japanese; in America, the ratio is seventy-two officials per 1000 (The Institute of Administrative Management, 2001: 53).

Of the 4 million, about 10,000 are classified as the “elite corps” in Japan’s political milieu (Furuhashi, 1999:14). Often described as “the cream of the crop,” these officials are some of the most critical actors in government policymaking. Both the traditional elitist orientation and the power and authority these officials hold have made Japan’s central bureaucracy significant and unique among industrialized nations. However, the entrenched power of these bureaucrats has increasingly become a liability for Japan’s public management. They are often viewed as a problem to the extent that a radical reform of government personnel has been called for. Keeping these issues in mind, the following section delineates the elite orientation with regard to recruitment and promotion in central government.

I. LINGERING PRE-WAR LEGACIES: ELITIST ORIENTATION IN RECRUITMENT AND PROMOTION IN THE JAPANESE CENTRAL GOVERNMENT

Those who want to serve as bureaucrats in Japan’s central government must take a standardized national civil service examination under the administration of the National Personnel Authority. The agency provides examinations at three different levels, of which Class One is the one most sought-after and pursued. Class One lists 28 different majors, including psychology, education, sociology, information technology, civil engineering, biotechnologies, etc. However, among these various studies, the three most critical are Public Administration, Law and Economics.

A word of explanation is in order regarding legal training in Japan. A law school education does not imply professional preparation for a law career. Unlike the United States and other countries, a Japanese law school is one of the undergraduate liberal art colleges, and does not necessarily turn out prospective lawyers. Most law school graduates seek private sector employment, and work as non-professional white-collar employees. Only a few pursue civil service careers.

Under the current system, those students who take the civil service exam in any of the three leading subjects are highly valued, while those who write in other categories, such as science and technology, tend to be undervalued. Unfortunately, this practice holds true even in the private sector: graduates from the law school in Tokyo University probably head most of the central agencies – including science and technology – as well as leading private firms in the country. This custom continues even now, in the age of IT development ((Nihon Keizai Shinbum Sha, 1994: 113-146; Mainichi Shinbum Shuzai Han, 1994: 71).
On May 5, 2003, more than 18,000 fourth year students and a few graduate students with majors in public administration, law or economics, sat for three hours to take a first Class One examination. The compound multiple-choice test covered a wide range of topics such as English comprehension, mathematics, logic, and world knowledge, as well as Japanese history, etc. Most questions were extremely complex and outrageously difficult: in 2001, for instance, the mean score for the economic major was 22.0. It is common for only a few hundred entrants to survive this original screening. When the results of this 2003 examination were posted, of more than 18,000 students, only 1,384 (7.6%) qualified, and of these, merely 195 (14%) were females.

One reason for the lack of female participation is the rate of job transfers among bureaucrats: typically, these elite officials remain in the same post for only about a year before being transferred to other assignments. These transfers can include postings to sub-national units of government or overseas missions, job transfers that can cause serious problems for married women with families. Many women therefore prefer positions in local governments, in which transfers are more limited.

The second examination followed a month later on June 1, 2003. It first involved a written test, in which students wrote essays relative to their chosen fields of competence, i.e., public administration, law or economics. This was followed by an interview, to which the government has recently given more importance. The exam plus interview method is believed to be one of the best approaches to recruiting competent personnel. On June 27th the final results of these strenuous tests were announced: of the total of 763 finalists, 60 had qualified in public administration, 482 in jurisprudence, and 221 in economics.

The National Personnel Authority administers these national civil service examinations, with a group of officials in the Authority working secretly year round, creating the questions. The exams are considered fair, open and objective, and to date no cases of favoritism or nepotism have been reported.

When the Class One examination results are promulgated, the participating students know where they stand in the list of those who are qualified. It is worth repeating here that the civil service examination is standardized, and administered by the independent government agency, the National Personnel Authority. However, the final decision on employment is left in the hands of different agencies. It is they, and not the National Personnel Authority, that determine how many and which students they will take in any given year.

As soon as the final results are posted, the qualified students start visiting different ministries for job interviews during the hot, humid Tokyo summer. Students who are high in the final list of the qualifiers will most probably go to Finance, or Economy, Trade and Industry Ministries, if not to the Ministries of Public Management, Home Affairs, and Posts and Telecommunications. In these stellar agencies, officials in the Secretariat or Personnel sections meet the students and eventually make the list of new recruits.

This recruitment system for Japan’s central government generates two problematic issues, especially the final job interview process. First, the current practice has strong built-in biases toward Tokyo University graduates. For many non-Tokyo residents, the job interviews present nearly insurmountable problems. As the national agencies hold job interviews only in Tokyo, a student from Kyoto, for example, must take a bullet train to the capital and stay for at least a week for different interviews. For candidates in remote regions, travel and Tokyo lodging is very expensive. As a result, although many would prefer a government position to one in the private sector, non-Tokyo resident students are disadvantaged by the current system. Much to their regret, many of them have to seek employment in the business sector.

Second, following qualification, students are supposed to call on various agencies. The general practice,
however, varies considerably. Tokyo University students begin their visitations as soon as the original multiple-choice examination is finished, a choice which may reflect their confidence in their own competence. When these students call on the agencies, they know many Tokyo graduates working in these places, and in Japan, an “old boy” college network often plays an eminent role in social contacts. The Tokyo students are most probably allowed an advanced interview, and often receive informal assurances of employment by the agencies. Students from other schools are denied such secret deals; the agencies insist on the regular rule and ask the student to call again sometime in mid-August.4

Primarily for the reasons noted, University of Tokyo graduates have dominated the list of new recruits in the Class One category since 1946. The most recent data from 1999 indicate that of 421 qualified students, only 259 secured employment in the central agencies, and that of these, only 39 were female. Although the exact figure remains unknown, of those students who were recruited, close to 70% were Tokyo University graduates. In the Finance Ministry, which has been notorious for its highly skewed hiring pattern, 18 of 20 new staff members came from the University of Tokyo, School of Law. The rest were from two leading private universities. The outcome of the Class One Examination is shown in Table 1.

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>Applicants</th>
<th>Qualifiers</th>
<th>Rate of Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Administration</td>
<td>8,325 (2,990)</td>
<td>120 (20)</td>
<td>1.4 %( 0.7%)</td>
</tr>
<tr>
<td>Laws</td>
<td>7,692 (2,215)</td>
<td>867 (132)</td>
<td>11.3 %( 6.0%)</td>
</tr>
<tr>
<td>Economics</td>
<td>2,376 ( 398)</td>
<td>397 (43)</td>
<td>16.7 %(10.8%)</td>
</tr>
<tr>
<td></td>
<td>18,393 (5,603)</td>
<td>1,384 (195)</td>
<td>7.5 %(3.5%)</td>
</tr>
</tbody>
</table>

( ) indicates the number of females

II. The Problems of the Current System of Personnel Management

Another problem should be mentioned with respect to the Japanese central government’s unique personnel management system: it discriminates against Class Two and Three employees. These public officials are labeled as “Non-Careers” or “Local Trains,” as opposed to the elite “Careers” or “Bullet trains,” since their promotions are normally slow and they are limited in their upward ascent within the organizations. The substantial gap that demarcates the elite from the non-elite officials is determined by the single examination they take at the end of their school year: they never take another examination over the course of their public life. This practice differs from that of local governments: officials in the Tokyo Metropolitan Government, for instance, must sit exams roughly every five years in order to receive job promotions. National officials are exempt from these “nuisances,” and as a result, both Class Two and Class Three qualifiers stay in the same category for their entire careers in the public sector.
Various privileges are accorded to the elite corps during the career process. The employment pattern in the Ministry of Finance can be used to exemplify the typical career path of elite Class One bureaucrats. Fresh out of college, twenty or so public officials will be affiliated with the Institute of Public Finance for two years, during which they receive training in various economic topics, including finance, banking, accounting, etc., as they are most likely law school graduates unfamiliar with these issues. Following this training, the majority is assigned to overseas duties, as attaches to Japanese missions in such cities as Washington, New York, London, or Paris. Others choose to study abroad, and with government stipends, pursue graduate studies at Harvard or Princeton, while others become disciples at Oxford or Cambridge (Ebato, 1992:10-139).

After several years of sojourns in foreign countries, the cadre of promising officials returns home and immediately takes important assignments in the internal revenue service. They may become directors of the multitudes of Tax Revenue Offices in different parts of the country, the highest-ranking position in these regional government units. In these work places, a strange personnel situation develops: the director, who is most probably in his late twenties, controls over 100 non-career employees, most probably in their forties or fifties, who must defer to the promising young director.

There is a compelling reason that non-career members stay at the pleasure of the young director, despite little or no prospect of moving upward within the agency. The retirement age for non-career officials is formally set at age 60; however, as long as they are with the Finance Ministry, post-retirement jobs are guaranteed for life. When a non-career civil servant retires from the Ministry, he will probably move to a government affiliated semi-public corporation as a ranking manager. In two years, he will likely move to a private firm and find employment in a low ranking managerial position. This process will repeat until the end of his life. These post-retirement jobs create a strong incentive to remain.

In the meantime, the career bureaucrats, after serving as directors in the tax offices, return to the Finance Ministry in Tokyo, where they stay only for a limited number of years. Eventually, they will once again be assigned as a managing finance director in either a prefecture or city. As in the tax revenue service, these young officials usually preside over local government employees as an object of awe and respect. By their late thirties or early forties, the elite bureaucrats will move back once again to the major Finance Ministry in Tokyo and take important posts, creating policies and programs for the entire country, as well as dealing with pressure groups and national lawmakers.

According to an unwritten code of conduct among elite government officials in Japan, they voluntarily retire in their mid fifties. This practice is not compulsory, but a common tradition. Following this retirement, they usually have two career options. First is to run for the national legislature under the conservative label. Those candidates with former bureaucratic careers accounted for 7.5% of the Lower House election in 1990, increasing to 8.2 and 7.8% in 1993 and 1996, respectively. In the Upper House election in 2001, more than 44% of the new LDP candidates came from bureaucratic stock, and currently, of 732 members of the National Legislature, over 25% are former bureaucrats. They are conspicuous especially in the House of Councillors, where each agency tries to send a former member as its representative and protector of its interests.

Still another political route for former bureaucrats is to become a chief executive in either prefecture or local governments. Large numbers of them consistently run for the gubernatorial or mayoral elections; consequently, of the 47 elective governors in the country, 47 are currently former bureaucrats of the central government.

The second career option is to move to the private or semi-public sectors, a practice known as “The
Descent from Heaven” in Japan. It is not unusual to see former elite bureaucrats heading leading private firms in the country. One of Japan’s major airlines, for instance, has a former vice minister of the Ministry of Transportation as chairman of the board. Similarly, former deputy ministers of the Finance Ministry often head major commercial banks. These cases of the “Descent from Heaven” career changes among elite government officials have been declining, however. In 1995, the National Personnel Authority reported 190 instances of retiring elite public officials taking leading positions in the private sector. By 1998, the number had dwindled to 91 cases, and in 2000, there were 40, a reduction by 22 instances from the previous year. Critics claim, however, that these statistics do not necessarily reflect the real picture, as many elite government officials increasingly move first to the semi-public sector, then to the private sector. Semi-public organizations such as the Japan Public Highway Corporation or Housing and Urban Corporation are not required to disclose the number of cases of “Descent from Heaven.” These semi-public entities thus frequently function as front organizations to conceal illegal transfers of jobs among elite government officials (Nishio, 2000: 7).

Understandably, the career-changing pattern of these leading bureaucrats is extremely unpopular with the Japanese voting public. Due to conflicts of interest, many instances of “Descent from Heaven” are frequently illegal, or at the least, highly dubious. Although similar practices are also found in neighboring countries, they have not been as blatantly entrenched and institutionalized as in Japan. Increasing numbers of Japanese voters perceive the practice as institutionalized corruption that runs against the public interest, and believe that the practice ought to be reduced, if not totally eradicated. Although the public claim against the “Descent from Heaven” is probably justified, public officials counter that the early retirement custom has helped channel government personnel, and has thus contributed to a robust and vibrant Japanese government.5

IV. EXTERNAL PRESSURES FOR THE REFORM OF JAPAN’S CIVIL SERVICE TRADITION

Some of the demand for civil service reform in Japan has come from external sources, via pressure from party members. Traditionally, lawmakers and bureaucrats in Japan have frequently been at odds and have had ambivalent relationships for many years. Nor surprisingly, this issue arose primarily out of the unique position of power long held by Japanese elite bureaucrats. Unlike bureaucrats in other industrialized nations, public officials in Japan’s central bureaucracy have been essential to the Japanese policymaking process.

In reality, bureaucrats have discussed and formulated the majority of various policies and programs in Japan: on average, 92% of the bills considered in the national legislature have been the product of Japan’s central bureaucracy. Any bill written by legislators must undergo screenings by the Legislative Bureau of the Cabinet Office, a process that is extremely meticulous in both wording and content. As often as not, therefore, legislation drafted by the elective members was rejected during the screening process, frequently declared void, and returned to the hands of the lawmakers.

The Japanese national legislature, called the Diet, is bicameral, with 480 members in the House of Representatives and 252 in the House of Councillors, ostensibly similar to the British Parliament. In Japan, the Lower House is more important than the Upper: the Prime Minister has always been selected from members of the House of Representatives. Further, as in the United Kingdom, partisanship is important: different political parties, including the governing Liberal Democratic Party (LDP), Liberals, Democrats, and Communists take active part in Japan’s national legislature.

Other than the common features described, however, the Japanese and British systems of government
differ markedly, especially in parliamentary process. In the British parliament, as in the U.S. Congress, only elected party members participate in legislative debates, exchanging opinions on the floor of the legislature. Only occasionally does the American Congress summon public officials to Capitol Hill to testify on issues of importance. In both Britain and America, bureaucrats stay behind the scenes; elected lawmakers take the leading part in shaping policies.

By contrast, bureaucrats have been conspicuous and powerful in the Japanese legislative process. Up until the end of 1999, not only did they appear in the chamber, but also took part in Diet deliberation. According to the established tradition, the incumbent cabinet asked the speakers of the two houses to appoint a list of high-ranking Japanese public officials as “designated government members.” They included administrative vice-ministers, the highest-ranking national civil servant, and other executive bureau chiefs in different ministries. Once the roster was approved, they then became the support staff of incumbent cabinet ministers. This practice was well entrenched: its origin dates back to the mid-nineteenth century when the parliamentary system was initially introduced to the country. The basic format had remained untouched ever since: in fact, in 1964, 148 elite bureaucrats were selected; by 1988, the number had increased to 351 (Tokyo Shimbun, October 12, 1997).

In Japan’s Diet, both floor and committee sessions have not encouraged debate. Any exchange of opinions in these chambers has been comprised of questions and answers between government parties and the opposition. As in the British case, the Prime Minister and other cabinet ministers offer general and broad responses to inquiries raised by the elected members out of power. In Japan’s legislature, in lieu of cabinet ministers, elite officials such as administrative vice-ministers and bureau chiefs usually provided detailed answers to legislative inquiries. One Diet committee, which deliberated finance reform in March 1997, exemplifies this situation. The committee deliberated for nine days, during which 29 bureaucrats, appearing as “designated government members,” replied 410 times to various inquiries by the committee. They thus exceeded the number of responses by cabinet ministers, who responded 337 times to the questions by the opposition forces (Ibid.).

In Japan’s national legislature, administrative vice-ministers and bureau chiefs, both non-elected public officials, played an important role, and were as often as not instrumental in generating important laws and programs. Even to this date, Japanese lawmakers have remained highly dependent on these professional bureaucrats for their technical expertise and know-how. Questions that the opposition lawmakers would raise on the floor of the chamber were usually engineered and formulated by national public officials, who also wrote the answers to the questions they had themselves crafted on behalf of the government. Because of these bizarre and yet entrenched practices, public officials in Japan tended to stay late in their offices, well beyond midnight, especially when the national legislature is in session. Next morning, the cabinet ministers would read different responses to various questions in the legislative session as if these answers were their own product. Naturally, this situation created awkwardness, in that it frequently disclosed incompetence in Japan’s cabinet ministers.

In one Diet deliberation in the late 1980s, a newly appointed Defense Minister responded to a question on the floor of the national legislature by saying, “Because the matter is so important and critical for the security of the country, I shall let the Administrative Vice-Minister of Defense explain the situation.” Although there have been many instances of ineptitude among cabinet members, his response was extreme; he became a laughing stock even in the conservative camp, and was immediately fired.

III. The Reform Attempt of Personnel Management System

Recently, lawmakers themselves have begun to examine the situation. In fact, leading members of the national legislature are starting to take a negative attitude toward the entrenched legislative method. Two
specific reasons are pertinent. First, Japan’s legislators have gradually recognized that the frequent use of bureaucrats in legislative sessions appears self-destructive. They fear that Japanese voters have begun to think that elected legislators have relinquished their power to bureaucrats, which represents a serious breach of public trust and confidence, according to leading members of the Conservative Party. Further, the national legislators fear that lack of integrity on the part of lawmakers has contributed to the growing pessimism toward politics among Japan’s electorate.

Popular surveys usually show that the general public in Japan lists politicians as the most mistrusted professionals, and politics as the most dubious profession. Further, the public feels that politics is an issue that they should not take seriously, preferring to remain as spectators rather than being involved. “Spectator Democracy” has thus become a significant ingredient in post war Japanese politics. From the perspective of the leading legislators, this widespread negative attitude toward Japanese politics can have serious effects on the quality of the country’s democratic political process. To ameliorate the situation, these legislators believe that they must reconsider their role and function in the Diet, as the only way to regain the confidence and trust of the general public.

On January 11, 1999, the governing Liberal Democratic Party and the Liberal Party agreed to a policy to enlarge the role of the elective members, while simultaneously reducing the function of public officials, thus creating an important and fundamental change in Japan’s legislative process. Two leading conservative parties decided to eliminate the system of “designated government members” from the regular Diet session in late 1999. The two parties proposed the creation of several deputy ministers, selected from the elected Diet members. In the session under the new arrangement in 1999, cabinet members, together with these deputy ministers, answered different questions in the chamber of the national legislature for the first time in recent memory. Bureaucrats appeared in the legislature with only the minor function of testifying on various issues (LDP Letter, January 11, 1999).

These reforms, once implemented, immediately generated a number of problems. Under the Koizumi administration (2001 April), the list of deputy ministers tended to reflect a factional balance of power within the conservative camp. This is because Koizumi allocated the posts to different cliques of the LDP, in order to consolidate his foothold in the party. For this reason, the office tenure of deputy ministers has been extremely short: in the case of the Ministry of Public Management, Home Affairs, and Posts and Telecommunications, deputy ministers are turned over approximately every six months. One of the replaced ministers, Kohno Taro of the LDP, complained that, because his tenure was short, he could not accomplish much in regard to government reform of the agency. He observed that the short office tenure helps to perpetuate the control and power of the bureaucrats in the legislative process of government.

An additional reform consisted of creating a Committee on the Fundamental Issues of Government (Kokka Kihon Seisaku Iinkai), in which leaders of different opposition parties can grill the Premier on his policies and program orientations. Copied from the British, this session is called “Question Time.” Following a short trial in November 1999, it became institutionalized as a part of Diet operations in January 2000. Under the current rule, Question Time is supposedly held once weekly while the legislature is in session. However, as practiced, Question Time has a number of shortcomings. One critical issue is the length of question time allocated to different party leaders. The chair of the leading opposition, Liberals, may grill the prime minister for twenty minutes; however, Miss Doi of the Socialist Democratic Party is allowed to pose questions to the Prime Minister only for five minutes. With these time constraints, Question Time might not develop into an important forum for policy discussions between the governing and the opposition parties.
V. Final Government Plan to Change Personnel Administration

In 1997, the Hashimoto Administration (1996-1998) started a research commission to examine possible reform of the existing personnel management system. The commission, composed of 20 prominent members, eventually submitted the final report to the government in March 1997. According to one of the members of the commission, their report was significant because it proposed an extremely radical reform of the current practice. Such an overly optimistic remark aside, the report did expedite the Koizumi Government (2001-) to lay out a draft plan to change the personnel management of the central bureaucracy. However, contrary to the claim made by the commission member, the Koizumi draft does not appear too radical. In fact, it has left many critical issues unstated. The plan, lukewarm at best, is certainly short of getting to the heart of the problem.

The Koizumi draft proposes to eliminate seniority based pay, introducing in its stead a performance pay principle for national public officials. The reform plan has also presented the concept that administrative vice ministers, the highest-ranking public officials in Japan’s central bureaucracy, become responsible for personnel management of their respective agencies. This idea represents an important departure from the previous method, in which the National Personnel Authority commanded a great deal of control over personnel affairs in different offices. The Koizumi draft contends that the previous practice tended to dilute responsibility, and that the revised system would clearly make vice-ministers the central locus of personnel control. Similarly, the reform plan limits the role of the National Personnel Authority to three different areas: 1) administering civil service examinations, 2) determining a rate of increase or decrease of annual payment of officials, and 3) resolving employees’ complaints and enforcing impartial personnel administration in the central government.

In addition, the Koizumi draft plan calls for a change in the civil service examination in general, and the Class One examination in particular. To abate public outcry against the elite orientation of the central bureaucracy, the draft proposal hopes to quadruple the list of Class One qualifiers. By enlarging the number, the Koizumi government seems to believe that the expanded range of government screening would help to recruit from different stocks of university graduates. However, the draft agenda remains mute on one important dimension, which a sharp discrepancy exists between formal rules and informal practices. Although formal regulations might change once the reform idea is implemented, informal practices would probably remain unchanged. The built-in bias for Tokyo University graduates in the recruitment process, for instance, should have been singled out in the draft as a major impediment to the current system of personnel management in government. The advantages to these limited few, including informal job interviews in advance, should be publicly recognized and eliminated.

To date, the draft bill has failed to change the system. One of the ways to reform the current practice is for National Personnel Authority to hire the necessary number of new recruits en bloc, and then distribute these graduates to various agencies, according to their needs. If this new method is implemented, the elite orientation of the existing system will be substantially altered, because the final power of appointing the new graduates would shift from each agency to the more objective National Personnel Authority. Nonetheless, the draft bill, although created persons of knowledge and experience, has remained equivocal on this score. The plan has approved the current method, and as in the past, each agency will interview Class One qualifiers and select the finalists.

The draft agenda does offer one encouraging sign, however, by attempting to hire personnel from the private sector. Previously, the rule held that those who wished to work for government had to resign from the company they worked for before joining the government sector. This rule discouraged young and capable staff member in private enterprise to come and work for government. The new rule envisions that
prospective personnel in the private sector do not have to leave their companies in order to join the national government.

Another important issue about which the reform draft remains lukewarm is the previously discussed “Descent from Heaven.” The proposal first recommends extending the compulsory retirement age from the present sixty to sixty-five years old. According to one government official, this would help alleviate the Japanese version of “Revolving Doors,” since retiring public officials would not have to seek another job. Similarly, the plan suggests that in lieu of the National Personnel Authority, the minister of each agency should act as approving authority over different cases of “Descent.” However, when this proposition was made public, many critics immediately objected. In their view, the new approach falls short of alleviating many dubious cases of conflict of interest. They contend that, in effect, the new method, giving the power of endorsement to different ministers would increase, rather than decrease, the number of “Golden Parachutes” in Japan’s central government.

Koizumi submitted the draft plan of the reform of government personnel administration, but it failed to pass the national legislature and was declared void in July 2003. The incumbent administration is planning to resubmit an identical bill to the next legislative session, most likely by October 2003. Even if the new measures are to be approved, the government personnel system faces a number of problems. The new draft plan has avoided critical issues that are inextricable from the impartial and democratic operation of personnel management in Japanese government. The country seems still a long way off from having a system congruent with the age of globalization.

CONCLUDING REMARKS

The foregoing sections have delineated several crucial aspects recent efforts to reform Japan’s civil service system. External pressures have facilitated changes in the intricate political balance between party members and bureaucrats. Under the Koizumi administration, political control over the bureaucracy seems to have gained momentum. For instance, unlike previous years, the budget formation for the FY2002 moved forward through the initiative of cabinet members rather than elite public officials. In other areas, however, the government seems to have succumbed to the entrenched power of public officials, as noted by the evident failure of the incumbent administration to overhaul the recruitment system of government personnel.

As outlined, the central government in Japan has several serious internal defects, especially in the recruitment and promotion of elite government administrators. Formally, the civil service system of the country is fair, open, and competitive. Informally, however, some aspects of the system inhibit a healthy Japanese civil service. The dominance of Tokyo University graduates in the composition of the central government, for instance, is unparalleled in other industrialized nations. Major problems that the Japanese government has recently experienced may well derive from this skewed system of recruitment and personnel management.

Similarly, the low esteem in which the government holds students who have majored in science and technology could produce serious consequences for Japan’s future. This age of IT development has enhanced the value of these graduates, while the value of law and economics graduates may naturally diminish. The Japanese government ought to change its outlook, and begin consciously to promote engineers and computer related specialists to top posts in government.

Although these and several other reform ideas have been developed, their implementation has been slow in coming. Many claim that the reform plans are only on paper, and lack any substance.
Implementation has been delayed primarily by intense opposition to any change by the elite government administrators, who have been tenacious and persistent in preserving the existing civil service system. Nonetheless, there is light at the end of the tunnel: in addition to the steadily growing number of combative and determined politicians such as Prime Minister Koizumi, the electorate has been aroused, for reasons cited in this paper. Public opinion might well become a major impetus that could facilitate reform of the Japanese civil service system. In this regard, the incumbent Koizumi administration is pivotal: if the cabinet fails to follow through on its proposed changes, it could be a long time before Japan finds relief from its current distress.

Comparatively speaking, Japanese civil service reform points to the importance of strong political leadership. Any public reform -- including civil service -- needs a stable and powerful leader. Only under a strong statesman will reform move forward and bring Japanese civil service practices into the age of globalization; otherwise, Japan will be left behind the rest of the industrialized world. Traditional methods and archaic management practices can deter the development of vibrant policies and programs the country urgently needs. In this respect, the Japanese seem to have been unfortunate, since the country lacks a strong political figure with a determined sense of mission and will. Shadow performances by one prime minister after another will certainly have to end. Only the results will count. In this dimension, Prime Minister Koizumi still has a lot to demonstrate.
REFERENCES


ENDNOTES

1 Some argue that these figures, compiled by a government-affiliated agency, are inaccurate and misleading, meant only to convince the Japanese that their public sector is extremely compact and efficient. In any country, “the true size of government” is hard to measure, and Japan is no exception. The size of the public sector in Japan must be interpreted with care and caution. In the U.S., a similar debate has been raised. See Paul C. Light (1999) *The True Size of Government*. (Brookings Institute).
The National Personnel Authority of Japan has a large number of data on the civil service examination on its website. They include the number of applicants and qualifiers and their breakdowns by school.

Law schools patterned on the American style will soon appear in Japan, however. Beginning in April 2004, more than 70 universities will introduce law schools similar to those in the U.S. They will produce approximately 3000 lawyers per annum, according to government plans and estimates. Many of the existing professional law schools have no documentation of students who have successfully passed the bar exam. With this record, many critics believe that a large number of the new law schools will go defunct in a few years, as they will not be able to produce a group of young attorneys. Since the school tuition is high, they would certainly run into serious problems in recruiting students.

Although there is no inquiry to ascertain that non-Tokyo University students are turned down by the agencies, I have a number of former students who experienced the subtle discrimination practiced against private college alumni. According to these students, personnel in the agencies that branched off from the pre-war Ministry of Home Affairs tend to be highly unpleasant in this regard. One of the leading bureaucrats in that organization once blatantly told me that the agency had never had any students from private schools.

Recently, an interesting comparative study of rewards for high public office was published. Edited by Christopher Hood and Guy Peters, the volume is entitled *Rewards for High Public Office*. (London: Routledge, 2003). One chapter elaborates the Japanese case of “Descent from Heaven” in a comparative perspective. See also Nakamura and Dairokuno’s “Japan’s Pattern of Rewards for High Public Offices: A Development of Analytical Scheme from a Cultural Perspective” (pp. 105-118).