

# ASSESSING GOVERNMENT EFFORTS TO (RE) BUILD TRUST IN GOVERNMENT: CHALLENGES AND LESSONS LEARNED FROM JAPANESE EXPERIENCES

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## ABSTRACT

*The decline of trust in government has been a critical issue in many parts of the world. Various surveys have indicated that the public cast suspicious eyes on their government and become less trustful of performance of their public sector. The OECD labels trust in government as a fundamental element of the democratic “contract”, while its decline may have significant impacts on government activities. Likewise, the UN also refers to trust as the foundation for good governance; therefore, improving trust would help strengthen sound governance in any polity. As these examples demonstrate, trust in government has increasingly become a central concern for government reformers.*

*In Japan, for a long time, bureaucrats have been perceived to be trustful social agents and they have enjoyed more confidence than those of party members. However, a series of scandals involving high-ranking bureaucrats, in addition to several policy failures and severe financial difficulties, have deteriorated the trustful image of Japanese public officials. Confronted with the problem, both central and local governments in Japan have attempted to improve their public perceptions and tried to rebuild trust in government by resorting to various types of administrative reform. However, the identification of reasons for the decline of public trust in government appear an awesome task and hard to come. While some of the reforms could have contributed rebuilding trust, others have further eroded the level of government confidence.*

*Against these backgrounds, the paper aims to show the current level of trust in government, specifically in Japan. It tries to assess government efforts of rebuilding trust by discussing different government reforms at both the central and the local levels.*

## INTRODUCTION

The decline of trust in government has been a critical issue in many parts of the world. Various governments and international organizations have started to identify the reasons for the decline, and how to rebuild trust in government with reform measures. The decline of trust in government may affect the efficacy of the policies that the government attempts to perform. Moreover, the declining support for government activities may result in difficulty to recruit the best talent for civil service, increase in tax evasion, and refusal of voluntary deference to the government authorities (Braithwaite and Levi 1998). As the government is losing its exclusive public domain, well-informed, critical citizens increasingly expect high quality services, streamlined bureaucratic procedures and to have their views and knowledge taken into account in the public decision making process (OECD 2005a). Trust in government is a critical factor determining whether the government and the society can achieve the consensus to have a more open and more collaborative governance structure. In this view, trust in government is an essential prerequisite for designing sound governance (UN 2006).

There has been a rash of incidents that causes citizens to cast their dubious eyes on the civil service in Japan: continuing media exposure of public officials' scandals involving in sex, money and even drunken driving scenes. In some cases, there have also been policy failures. Take the National Pension Program for example, where the government fails to adapt to environmental changes such as declining working population. In some cases, it has even misused deposited money. The government has not succeeded to persuade citizens to pay premiums. On average, more than 30 % of all aged citizens under the program do not pay the premium (Social Insurance Agency, 2006). Given the declining citizen's support, the government decided to dismantle the Social Insurance Agency, which is the responsible government agency of the program (scheduled in 2008). As this case indicates, both central and local governments in Japan currently presume the decline of citizen's support as a serious problem. If the government cannot maintain the support from the citizens, it will not be able to accomplish the policy target. Thus, it is in a situation of fear of losing constituencies and being dissolved.

Against these backgrounds, this paper aims to discuss the trust in government and the government's efforts to (re)build trust in Japan. The paper is divided into four folds. The first part aims to identify the significance of discussing trust in government in public administration discourse. It also attempts to conceptualize "trust in government" which is an extremely general term. The second part investigates into the level of trust in government in Japan from historical and Asian perspectives. By doing so, it seeks to capture common and peculiar characteristics. It is followed by the critical qualitative assessment of Japanese government efforts to (re) build trust in government. The paper concludes by summarizing the reform impacts on trust in government.

## CONCEPTUAL FRAMEWORK

Trust in government is one of the controversial issues in the public administration discourse. The significance of trust in government for sound governance has gained the prominent interest among government reformers (Nye 1997, Pollitt and Bouckaert 2000, Kettl 2000). It refers to citizens feel confident in their government. If citizens trust government, they will support the government activities and they will willingly accept the authority on the expectation that the government will work for them and will not abuse them (UN 2006).

Trust has been implicitly known as an important element for the democratic polity. Indeed, trust in government is a fundamental element of the democratic "contract" and its decline may have significant impacts on how people perceive, comply with and interact with the public bodies that exercise power in their nature (OECD 2005a:31). Nonetheless, it is not a groundbreaking subject for political science students. Most familiar topic for modern political science field is a trust in political institutions, mainly declining support for political parties (party alienation). Much of the work reveals that the political parties are losing the allegiance of a public that is increasingly non-partisan and skeptical about political parties as institutions (for instance see Dalton and Wattenburg 2000). Nevertheless, popularity of the subject of trust has gained with the recent global decline of trust in government and the scholarly attention to "Social Capital" (Putnam 1994, 2001)<sup>1</sup>.

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<sup>1</sup> When discussing trust, there are broadly two types of "trust" (Hardin 2000). One is trust among citizen or diffuse trust in society at all. The other is trust in institution. Putnam's work was a catalyst for the issue of trust in government. Nevertheless, his argument of "Social Trust" deals with how the trust among citizens influences the citizen's support for government. On the other hand, "trust" in this paper deals with the trust in

## Significance of Discussing Trust in Government

The common understanding for trust is that it is a normative subject. The trust in government is also distinctive from the political behavior. While political behavior mainly deals with citizen's voting behavior, the issue of trust is of citizen's perception on judging government mainly expressed in attitude survey. It is rather difficult to capture. However, there are certain advantages to discuss trust in government. There can be of three different significances as follows in a broad sense.

The first significance is of potential advantage for the public administration research. For a long time, an analysis in public administration was emphasized much based on the elite model. It involved with politic-administration interface and the main question was how to reflect political voice and control in decision-making and activities of government. As "governance" is being heard more and more in the spheres of government, research attention in public administration gradually shifted from the elite model to the citizen-oriented model, which emphasizes the government to citizen interface. Despite much of work with this "new model" was developed, most of the citizen-oriented model based research seems to depend on fairly optimistic assumption: when the government is reformed more citizen be oriented, the citizen would spontaneously participate in decision-making and delivering services. However, little is known that whether the hypothesis is always appropriate. Trust in government provides us with an essential ground for the forefront of this new model of public administration research. In this regard, assessing and analyzing trust can assist to understand the extent of (good) governance, although more trust does not always contribute to better governance<sup>2</sup>.

Additionally, not only the level of trust, what citizens perceive the government, namely the "components of trust," can contribute to the better understanding of governance reform orientation. In other words, analysis of public trust in government is a good tool to predict how the government reform would it to be. Citizens may mistrust because of low quality and performance of delivered services for instance, or citizens may do so because they feel the government misuses the power and it is corrupted. Analyzing public trust in government has a significant potential to write the prescription for government reformers.

The third, but not least significance of discussing trust is that trust in government itself can be a progress of governance transformation. As it is often advocated by the international assistance organizations, the extent of trust is an extent of good governance reform. In other words, good partnership between government and civil society depends on public trust. Citizens expect public service to serve the public interest with fairness and to manage public resources properly. Fair and reliable public administration inspires public trust and creates a favorable environment for business, thus contributing to well functioning collaboration between the private entities and the government. When public trust in government is low, citizens may be reluctant to participate in governance process. This can weaken the cohesiveness of society and its ability to effectively address common objectives. Trust, thus can be seen as an essential prerequisite for partnerships and good governance. Although high trust does not always lead to good governance, at least the level of trust is a good

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governmental institutions. In the paper, trust is used as trust in government institutions otherwise specified.

<sup>2</sup> As often time government is regarded as "necessary evil" in liberal democracies, certain level of mistrust represents healthy barometer for the democracy. In some countries, trust in government is extremely high whenever surveyed. But this may be because of its authoritarian regime or due to lack of the freedom of political voice.

indicator to show the level of governance reform process better or worse.

### Components of Trust in Government

Many scholarly works argue trust as one of the necessity prerequisites for social activities. Luhmann (1973-1990) proposed that trust is a mean to reduce the complexity in society. Likewise, Williamson (1975) argues that trust reduces the transaction cost. Fukuyama (1995) stated that the trust is one of the critical factors to determine the prosperity in society and his book came up with unorthodox grouping of high trust society (the U.S., Germany and Japan). Many scholarly works refer trust as different meanings and significances. It is in fact a concept surrounded by conceptual vagueness. Even then, in the discussion of trust in government, it seems appropriate to divide trust into two different components (Klingemann and Fuchs 1995, Norris 1999, Hardin 2000, Bouckaert 2002, Blind 2006). One is the performance (operational) trust and the other is the relational (communal) trust<sup>3</sup>.

Performance trust deals with the public support for the government performance or how much the citizens are satisfied with the government performance. In theoretical approaches to trust, many scholarly works perceive trust as rational/instrumental reasons in which citizens employ performance related criteria when judging government. Citizens expect government to fully perform its assigned duty and they judge government with evaluations of the government performance (for instance see Accenture 2006).

This approach has many affinities with the customer orientation in New Public Management (NPM). The NPM literatures started to approach the public service users as customers and the reform initiatives favor business like government. In their view, government's fatigue in policy performance is identified as a key aspect in explaining citizen's attitude towards public administration. Therefore, more customer-oriented services and performance management (most often by service recipients) improve the service performance and then citizens evaluate it higher. In this respect, performance trust is retrospective which citizens evaluate government after service is rendered. Many efforts can be seen in the actual government reform. One compelling example is the National Performance Review under Clinton Administration in the U.S. In this reform "movement", the famous ultimate objective was "Rebuilding Public Trust through Results and Service." In Japan as well, many local governments currently strive to identify the level of "Citizen's Satisfaction" in respective services<sup>4</sup>.

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<sup>3</sup> Borrowing from famous Tönnies idea, performance trust can be fallen under the heading of "Gesellschaft" where citizen and government are connected more with common interests. On the other hands, relational trust can be referred as the "Gemeinschaft" where citizen and government are connected more with communal proximity.

<sup>4</sup> In author's view, government efforts to improve citizen's satisfaction for services may be a risky challenge. Unlike (or even) in private business, satisfaction cannot reach 100% simply because government services are collective consumption without market principle. Also, government cannot employ individual marketing like CRM (Customer Relations Management) to improve citizen's satisfaction, as "equity" is one of the most important principles for the government activities. Furthermore, asking satisfaction to citizens makes them more dependent on government and it would excavate their hidden demand to government.

**Table 1. Components of Trust in Government**

	<b>Component</b>	<b>Influence Factors</b>	<b>Government Measures</b>	<b>Background</b>
Trust	Performance (Operational) Trust	Quality of Government Services, “Value for Money”	Customer Friendly, Performance Management (overlapped with NPM approach)	Business Administration Economics
	Relational (Communal) Trust	Transparency, Corruption, Political Culture	Open Government Anti Corruption Measure Information Disclosure Participation	Political Science Democratic Theories

Source: Derived from Blind (2006)

The concept of performance trust unambiguously perceives citizen as government customer. However, this perspective does not connote the “citizen” or participation in democratic term. It is mainly due to performance trust is inspired by the NPM under the heavy influence of business administration and economics. The other component of trust in government is a relational or communal trust which is under more influence of democratic theories in political science (for instance see Tyler 1998). Relational trust puts more emphasis on the faith based on the moral philosophy and it is better understood as a matter of ethics rather than as a strategy for maximizing one’s utility. In this view, trust in government means whether government is trustful that it does not intend to abuse citizens’ rights: or that how close the citizens can feel with the government. In other words, relational trust means how much citizens feel identical to their government. If there is a certain level of relational trust in government, citizens may be more active to give their resources to the government for solving public issues. Whether citizens can recognize government as a “partner” depends on the relational trust. This kind of trust in government is a critical factor for government to transform into participatory government.

The most influential factor for relational trust can be a political efficacy. If citizens feel government activity is well reflected their will and is controllable, they may feel confident with their government. Actual government measures to ensure the relational trust in government would be to increase transparency in government decision making process, to develop more participation channel, and a measure to get rid of corruption in government (OECD 2000). If citizens feel government is open, willing to accept their opinion in decision making and use resources properly, they may trust government as if they trust themselves.

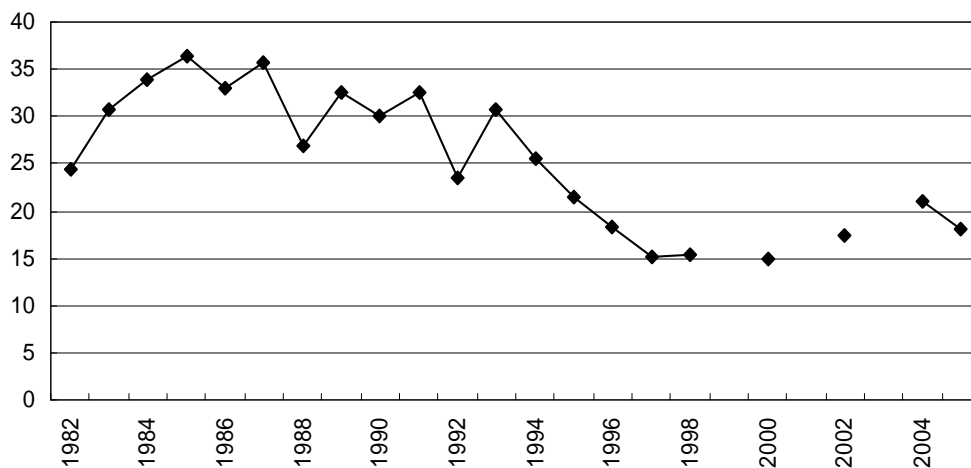
## **LEVEL OF TRUST IN GOVERNMENT IN JAPAN AND SOME COMPARISON WITH ASIAN COUNTRIES**

### Trust in Government in Japan

There is a certain complexity to elaborate the trust in government in Japan due to insufficient data. Nonetheless, with its limited data, trust in government in Japan shows some different perspectives. Figure 1 illustrates the longest time series data on political satisfaction indicator monitored by the Cabinet Office. This indicates the steady decline of public trust in politics and government. Only 20 % of the respondents are satisfied with the government. This poll is conducted by the Cabinet Office and thus the downturn from the mid-1990s would be the reflection to the citizen’s low evaluation toward the central

government. Its trend corresponds with the policy failures and corruption outbreaks in the 1990s. As Pharr (2000:173-201) pointed out, misconduct reports in media may offer an important key to the understanding declining citizens' confidence in government. The other valid research endorses the citizen's negative view in government. The Central Research Service Report (2004) on "Trust in Social and Public Institutions" revealed that among ten social institutions, bureaucrats marked the least trustful institution and its average trust level is 2.0 in five point scales. In three times research (2000, 2001 and 2004), bureaucrats maintained the lowest trustful institution<sup>5</sup>.

*Figure 1. Evolution in Trust in Government in Japan*



Source: Cabinet Office.

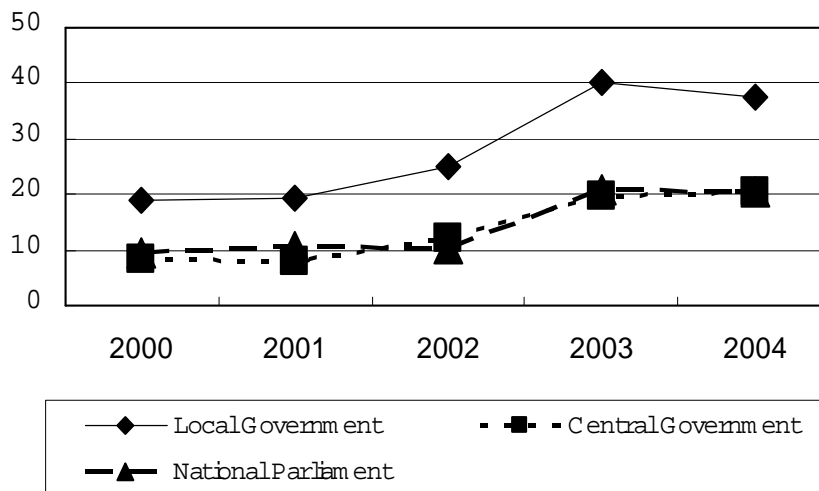
Public Opinion Survey on Society and the State. (each year)

Note. Response ratio of "well" and "to some extent" for the question "Does national policy reflect the will of people?" Data on 1999, 2001 and 2003 are not available.

Although these accounts seem to fit the global trend of declining public trust in government (Pharr and Putnam 2000, Noriss 1999, Kingemannn and Fuchs 1995, Nye 1997), when the local government is taken into account in the perspective of government, there seems to be a different condition. Figure 2 shows recent trust level in government institutions (national parliament, central government and local government) in Japan.

<sup>5</sup> Number of sample is 1,353 (2000), 1,272 (2001) and 1,483(2004). Ten social and public institutions and average trust level in 2004 are as follows: Self Defense Force (3.3), Judicial Court (3.2), Medical Institutions (2.9), Commercial Banks (2.9), School Teachers (2.8), Police Force (2.8), Big Businesses (2.8), Media (2.8), Parliament Members (2.0) and Bureaucrats (2.0).

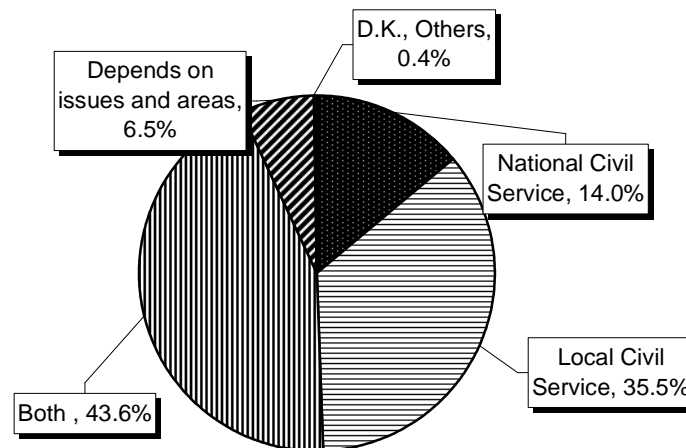
**Figure 2. Trust in Government Institutions in Japan (From 2000 to 2004)**



Source: Yomiuri News Paper each year.  
Data from Yomiuri and Gallop Opinion Survey.

Trust in all institutions slightly increased from 2002 onwards. But the level is still low, especially for the central government and the national parliament. The local government gained more trust than the central level in particular. Though recent and reliable data is unavailable to compare the trust level between central and local level, citizens may trust more in local government than central government. Moreover, this implies that alleged declining trust in government is more entrenched in central government level. It has been argued that the reasons for continuing trust in local government lie in the role and function of local government. They have been providing the extensive variety of social services much more so than any other countries (Nakamura and Kikuchi 2006). The conventional way to analyze the importance of local governments in a national system of government is to measure its expenditure size. The size of local public expenditure and the number of local civil service in Japan are about three times larger than that of national level. Local governments are central actors in various social services, including school education, welfare and public health, police and fire services, and the construction of sewerage systems. These wide roles and functions of local governments involve a close relationship with the daily life of citizen. They fulfill a major role in citizen's life. Contrary to the declining role of national bureaucrats and hardly seen their activities, citizens seem to have much a big stake in their local governments. Local governments in Japan have succeeded in developing a sufficiently broad based constituency for themselves (see King 2000). This account is partly verified by the fact that for most of citizens, civil service means the local civil service, not the national one.

**Figure 3. Citizen's Perception of "Civil Service"**



Note: Response Ratio for the Question "Which level of service do you call in your mind with "Civil Service?". Data from National Personnel Authority Policy Monitor Survey (2005)

For ordinary citizens, the image of civil service is just confined to the local civil service and even for the national civil service, the most frequent contacted national civil service is the mailmen (National Personnel Authority 2005). For citizens, bureaucrats (literally *Kanryo* in Japanese) recall influential elite (Class 1) public officials at the central government. Japanese citizens may believe that the roots cause of problems lie not with the mailmen, but with the elite national civil services who are never seen in the daily life. This view may reflect that the bureaucrats had held an extensive power to exercise. But once their image is deteriorated, it could be easy to become disillusioned. Indeed, it is natural for citizens to have more trust to local civil service who serves them in their daily life rather than national bureaucrats whom they never come across. In conjunction with the components of trust in government explained in the previous chapter, local civil service has more relational trust in its proximity; national bureaucrats have negative impacts on performance trust with prolonged policy failures, misconducts and economic recession (Jennings 1998, Miller and Listhaug 2001)<sup>6</sup>.

### Trust in Government from Asian Perspectives

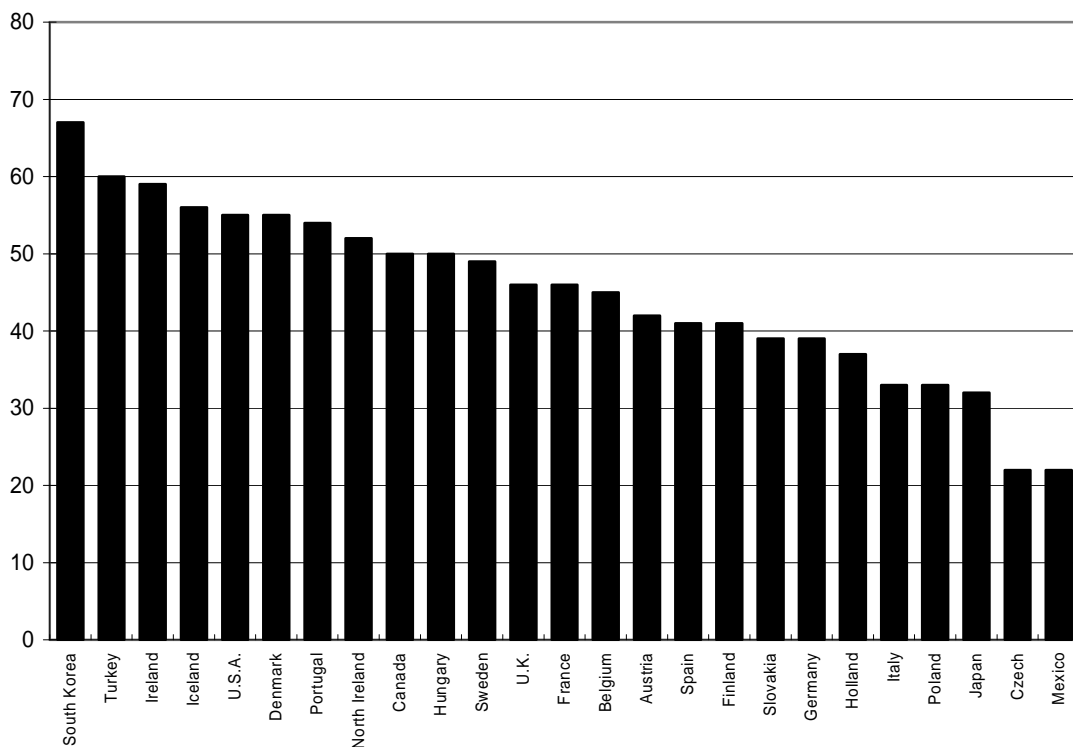
This section summarizes trust in government across the countries, especially in Asian regions. Despite common belief that the public trust in government has been on the decline elsewhere, there are large differences among surveyed countries. Figure 4 shows the cross-national trust level in civil service for 1999-2000 and it does not reveal a clear trend.

<sup>6</sup> This view is consistent with the survey of public attitude towards conduct in public life in U.K. Citizens express higher levels of trust in "frontline" professionals (Committee on Standards in Public Life 2004). Nevertheless, many cases of misconduct by local public officials are observed in the headlines these days. Most of the cases are understood as the political purge of local public officials union set up by the resistance forces for decentralization process. Local public officials union is the biggest single trade union in Japan and it has more than one million members.



Trust level is rather low in Japan, Italy and Germany. On the other hand, South Korea and even the U.S. civil service seem to enjoy high level of trust from the citizen<sup>7</sup>. However, this does not imply that the civil service in South Korea is most trustworthy among surveyed countries. Conditions of trust may vary along with each country's "trust culture". For instance, even the level of trust in civil service is high from an international comparison, it may just reflect the "high trust" culture in the country and the trust in civil service could even be the lowest among other government institutions.

**Figure 4. Trust in Civil Service (Data from World Value Survey 1999-2000)**



Data from World Value Survey (1999-2000)  
Source: OECD (2005b).

In Table 5, there is other perspective which is the first scientific research on political institutions in Asian countries. Despite it is snap short survey, some characteristics can be found. The partisan institutions like political party or parliament are recognized as low trust institutions, while the military is relatively trustful in almost all surveyed countries. Although political and cultural varieties account for the differences must be considered, the data suggest that the government sector (public servant, police, and army) is more trusted

<sup>7</sup> Although trust in civil service in South Korea is highest among surveyed country with this data, in the other survey, the situation is different. See Figure 5. This difference mainly causes from the sampling, wording questions and survey timing. Survey on trust in government inventively faces these kinds of "Soft Data Problems".

than the political sector (parliament, party) in Asia<sup>8</sup>. Also, trust in government in Singapore is significantly higher than in other countries. It corresponds with the Corruption Perception Index by the Transparency International. Here, it does not intend to create a ranking order of the trust level across the countries. The trust level may vary not only with the government efforts to ensure it sustains, but it may also be varied along with the political culture embedded in each country. Even then, broadening perspective to international comparison with an overview of empirical data outlining present state and evolutions of trust in government is a good reference to discuss citizen's attitude toward public administration in each country, unless manipulated by political opportunists.

## GOVERNMENT EFFORTS TO (RE) BUILD TRUST

In most nations the government reformers quite explicitly pledged to improve their citizen's trust in government. (Re)building trust in government becomes one of the government reform agenda. This is quite salient among aggressive (former) New Public Management reformed courtiers (Pollitt and Bouckaert 2000). In those countries, NPM reforms turned out to entail unexpected consequences; eroding public confidence in government. Theoretically, very fragmented and complex networks create the government hollowing out and they undermine the government capacities to deal with public problems (Kim 2006). Also, many marketization and devolution processes to both front levels and private suppliers cause concerns about new emerging corruption problems. Moreover, fragmented and complex network of service delivery would result in government insensible and less visible. On the other hand, the government position for promoting any reform tends to raise citizen's expectations (Aberbach and Rockman 2000).

In New Zealand, one of the most aggressive NPM reformers, trust in civil service significantly dropped to around 10% after a series of NPM led reform (State Service Commission 2000). In the U.K., under labor party administration, many initiatives to restore trust in government is underway. The main objective of "Government Modernisation" in the U.K. reform is to restore government capacity, which was once destroyed by NPM inspired reforms and the ultimate goal of the reforms is to restore public trust in government (Committee on Standards in Public Life 2004, Office of the Deputy Prime Minister 2005, OECD 2005a).

### Trust in Government and Reform in Japan

Trust in government is an old and new issue in Japan. Its concept has been found for many years. As early as in 1960s, the government recognized the significance of trust in government. The first Provisional Commission on Administrative Reform (called *Rincho I* in Japanese) was set up by law in 1961 and submitted its final recommendation in 1964. The commission modeled the Hoover Commission in the U.S. federal government in its authority and structure. The commission member recognized the importance of citizen's support to accomplish its duty in its early session. The commission's activity was expected to encounter severe resistance from the old guard, both from the elected parliament

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<sup>8</sup> According to Almond and Verba's classical work, the Asian countries are under "parochial" or "subject" political culture type. However, their argument was mainly focused in early period of postwar Japan. Post war development in Asian countries must be considered, although the political culture tends to be the lagged indicator of economic growth.

members and the bureaucrats. The commission was afraid of that the bureaucrats did not accept the recommendations and parliament members watered down the reform bill in a legislative process. The commission had to request citizen to support their activity as a final constituency and a reform driving power (Nishio 1966)<sup>9</sup>. The commission utilized public trust in government as a strategic tool to promote reforms. By the same token, the Second Provisional Commission on Administrative Reform (called *Rincho 2* in Japanese) employed the trust in government for a strategic tool to promote privatizations. With the media campaign, they provided many cases on how the Japan National Railway had misused resources in an inappropriate and inefficient manner.

However, the way the government exercise the public trust seems to change after the late 1980s. The collapse of the real estate and stock markets from the speculative bubble economy of the late 1980s left banks with huge portfolios of non-performing loans. It triggered a series of bank crash result in a low growth era referred as “lost decades.” For a long time, bureaucrats have been seen as more trustful social agents than the political party members in the government. However, prolonged economic stagnation with these events causes Japanese start to doubt the bureaucrats’ capacity to deal with cumulative issues. Japanese commercial banking system was well controlled by the Ministry of Finance with the convoy system and its activity was bounded by strict regulations. Trillions of taxpayer's money was put into banking sector to offset the huge mountain of accumulated bad debts. It turned out how incompetent the government was to adopt the fierce global competition. In addition, high-ranking officials involved in scandals hit the headlines on TV and it accelerated public doubts. Two retired administrative vice ministers, once they sit in the highest position in the civil service carrier, had been arrested for alleged corruption in the late 1990s. Japanese citizens witnessed the dramatic fall of bureaucrats’ prestige and clout in the 1990s.

To respond to this severe situation, the government had started to capture the decline of citizen’s trust as a serious problem. For the government, trust in government was no longer for supporters to promote reforms. The government had to consider how to restore public trust in government. In 1999, National Public Service Ethics Law (Law No. 129 of 1999) was enacted with the parliament member’s initiative and the article one of the law stipulated as:

“The objective of this law is to ensure people’s trust for public service, deterring activities that create suspect or distrust against the fairness of performance of duties by introducing necessary measures to contribute to retaining ethics related to the duties of national public service officials, acknowledging that national public service officials are servants of the whole people and their duties are to fulfill public service entrusted by the public.”

It was the first legislation which public trust in government was written into the law.

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<sup>9</sup> In this sense, the commission was strongly aware of the need for “concrete feasible proposals for reform”. But the most of the reform proposals were failed to be implemented and in late years, the recommendations were criticized for not meeting this requirement. However, the commission provided the basic model for pursuit of administrative reform followed in Japan thereafter, especially in Hashimoto’s Central Government Reform in 2001 (Masujima 2006:7)

## Major Government Reforms since 1980s at Central Level

There were at least three major reform waves at the central government level: Nakasone Reform (the Second Provisional Commission on Administrative Reform) in the 1980s; Hashimoto Reform (the Administrative Reform Council) in the late 1990s; and Koizumi Reform in the early 21st century. Table 2 summarizes the main reform objectives and contents of the central government reform at each major reform waves. Nakasone reform was initiated after the Japanese economy was stagnated with oil shock and it was the first attempt to privatize government functions. Three giant government corporations were privatized: Japan Railway; Nippon Telegraph and Telephone Corporation; and Japan Tobacco. The reform was aimed at the fiscal reconstruction with the revision of scope of government responsible sphere. Hashimoto reform was the most comprehensive reform and its scope was expanded to wide areas: central ministries were streamlined to almost the half in 2001; formal decentralization started in 2000; public information disclosure was legislated in 1999; deregulation was continued in the 1990s; Independent Administrative Agency (IAA), which was Japanese style “Executive Agency”, was introduced in 2001; statutory Policy Evaluation System was initiated in 2001; executive leadership in policymaking was strengthened with the establishment of Cabinet Office and political vice ministers and ministers without portfolio. Nonetheless, the main objective of Hashimoto reform was to improve efficiency of public administration (Yamamoto 2003, Masujima 2006). Koizumi reform was aimed at fiscal reconstruction and structural economic adjustment under the slogan of “From Public Sector to Private Sector” and “From the State to the Regions”: it privatized Japan highway public corporation and Japan Post Office (scheduled in 2007); more drastic streamlining of number of civil service both at the central and the local level; establishment of E-government; more decentralization of fiscal authority; Special Zones for Structural Reform to promote regional regulatory reform. Although Mr. Koizumi was one of the most popular prime ministers for his aggressive attitude of promoting reforms, the reform objective and procedure which his administration employed was not a quite new. The objective and procedure was back to the old Nakasone’s style.

**Table 2. Main Reform Objectives and Contents of Central Government Reform since 1980s**

Main Reform Objectives	Main Reform Contents		
	1980s (Nakasone Reform)	1990s (Hashimoto Reform)	2001~(Koizumi Reform)
<b>Privatization (Revision of Scope of PA)</b>	JR, NTT, Japan Tobacco		Japan Highway Corporation, Japan Post
<b>Efficiency (NPM) (Improve Efficiency of PA)</b>		Deregulation, Independent Administrative Agency	Deregulation, Regional Deregulation
<b>Accountability (Strengthening Accountability)</b>		Administrative Procedure Law, Public Information Disclosure, Policy Evaluation	
<b>Streamlining (Revision of Scope of PA)</b>		Streamlining of Central Ministries, Streamlining of Number of National Civil Service, Deregulation	(Net) Streamlining of Number of Civil Service both at Central and Local Level
<b>Decentralization, Central Ministries Reform (Refining National Government System)</b>		Decentralization Central Ministries Streamlining	Fiscal Decentralization Regional Rehabilitation
<b>Citizen's Participation (Ensuring Participation)</b>		Public Comments System for regulations change	Special Zone for Structural Reform

Note: Derived from Yamamoto (2003), Masujima (2006) and author’s own research

## Major Government Reform at local level

At the local government level, reforms after the decentralization in 2000 were much more comprehensive and focused more on citizen's participation than central level. After 2000, the extent and significance of local government activities expanded greatly in both substances and kinds. Many local governments, if not all were keen to transform their activities more innovative, productive and participatory. Table 3 sketches the main reform objectives and contents of the local government reform. Emphasis on strengthening accountability and ensuring participation were more intensive in contrast to reform at the central level. As of 2006, the individual policy evaluations systems were installed in 46 out of 47 prefectural governments and all in designated cities (metropolis), 87% of core cities (population more than 300 thousands), and 90% of special cities (population more than 200 thousands). As for the public comments system, 91.5% of prefectural governments, 71.4% of designated cities, 68.6% of core cities, and 55% of special cities have already installed the system as of 2005. In the same token, as of 2005, almost all local governments (96.6%) have the information disclosure system. All prefectural governments and designated cities have the administrative procedure ordinance to ensure the due process and opportunities for private persons to submit opinions for any administrative actions (data from the Ministry of Internal Affairs and Communications).

Above all, with the awareness of critical significance of citizen's participation, many local governments begin to adopt the Public Private Partnership (PPP) scheme in every aspect of policy management cycle: intake citizen's opinion in decision making; outsource the service delivery to NPO and profit sector; policy evaluations with citizen's participation. In doing so, local governments are likely to change the local governance to participatory, responsive and partnership governance. As of 2006, more than 30 thousands certified NPO play active role in many areas and all prefectural governments. Also, more than 80% of municipalities outsource the services to respective local NPOs (White Paper on National Lifestyle FY 2004). Regarding the outsourcings to private companies, 96% of meal delivery service, 91% of home care services and 84% of garbage collection are outsourced at the municipal level (as of 2003, data from the Ministry of Internal Affairs and Communications). It is worth to note that these reform measures are not mandatory by laws although they were enhanced to implement by policy guidelines issued from the central government <sup>10</sup>

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<sup>10</sup> In fact, policy diffusions from the local governments to central government can be observed in many policy areas and management innovations. Central government started the policy evaluation system in 2001 after the Mie prefectural government first implemented individual policy evaluation system in 1996. In information disclosure, one small city in Yamagata prefecture enacted the ordinance as a precedent in 1979, long before the central government enacted the law in 1999.

**Table 3. Main Reform Objectives and Contents of Local Government Reforms**

<b>Main Reform Objectives</b>	<b>Main Reform Contents</b>
<b>Privatization (Revision of Scope of PA)</b>	
<b>Efficiency (NPM) (Improve Efficiency of PA)</b>	Outsourcing, Administrative Evaluations
<b>Accountability (Strengthening Accountability)</b>	Administrative Procedure Ordinance, Public Information Disclosure, Administrative Evaluation, Public Comments System
<b>Streamlining (Revision of Scope of PA)</b>	Streamlining of Number of Local Civil Service
<b>Capacity Building (Strengthening Local Government Capacity)</b>	Municipal Merger, Pay per Performance, Human Resource Management
<b>Citizen's Participation (Ensuring Participation)</b>	Public Private Partnership with NPOs and Citizen's Group, Participatory Administrative Evaluations

Note: Derived from author's own research.

### Qualitative Assessment of the Reform Impacts on Trust in Government

Ensuring trust in government was not explicitly recognized as the main objective in each period of reform both at the central and the local levels. There are still other indirect measures to ensure public trust in government: improving efficiency, strengthening accountability and ensuring citizen's participation. The issue to clarify is how the each individual reform content influences the components of trust in government even each kind of trust is interrelated to some degree. Table 4 outlines the relative impacts of reforms on each component of trust in government both at central and local levels.

At the central level, performance information from Policy Evaluation System or Independent Administrative Agencies may give a positive impact on performance trust, since the citizens and service recipients can evaluate the services with solid base. In contrast, privatization and streamlining of civil service may create government less competent. Government's responsibility of service delivery became blurred with privatizations. While number of civil service has been on the decline; government responsible sphere has been expanding with the growing number of critical citizens. Deregulation causes troublesome cases. For instance, there has been a big policy debate on the privatization of building inspection authority. Numbers of condominiums were turned out to be built and authorized with the poor earthquake proof.

In respect to relational trust, public information disclosure system, public comments system and administrative procedure law, all these measures have some positive impacts. However, lots of poor performance and management cases were revealed with the information disclosure. This may have a negative impact on performance trust at the same time. On the other hand, with the introduction of Independent Administrative Agencies (IAA), diversification of quasi government entities causes government less visible. The IAA is a complicated system: its legal status is government, but the status of the staff is private. Also, with establishment of many IAAs, demarcation line between private and public sector becomes quite blurred.

In comparison with the central level, there seems to be more positive impact on trust in government at the local level. Performance information provided by the administrative

evaluation furnishes citizens with the solid base information on service. The citizen's satisfaction survey is a part of the efforts to ensure performance trust. Pay per performance system installed in some local governments has forced officials to be more performance oriented than before, and the cases are on the increasing trend. However, fiscal decentralization may have a negative impact for small and weak municipalities without enough tax bases. Public information disclosure system, public comments system and administrative procedure ordinances have a positive impact on relational trust in the same way as at the central level.

Furthermore, PPP or collaboration with NPOs and citizens has a significant impact on relational trust. This measure may induce the citizens' participation to reflect their view in decision making and service delivery. Although it is not quite certain these efforts for more participatory, responsive and partnership local governance become successful, awareness of citizen's participation among local officials has been greatly improved. However, the municipal merger may cause the government to citizen relations far-off and it may weaken the sense of controllability.

**Table 4. Impacts of Reforms on Each Component of Trust in Government**

	Impact	Reforms at Central Level	Reforms at Local Level
<b>Performance Trust</b>	Positive Impacts	Performance Information is provided with Policy Evaluation System and IAA system	Performance Information is provided with Administrative Evaluation System and Citizen's Satisfaction Survey Pay per performance makes officials performance oriented
	Negative Impacts	Privatization and streamlining of civil service make government less competent Deregulation makes government less controllable Public Information Disclosure	Fiscal Decentralization makes small and weak municipalities less competent Public Information Disclosure
<b>Relational Trust</b>	Positive Impacts	Public Information Disclosure Public Comments System Administrative Procedure Law	Public Information Disclosure Public Comments System Administrative Procedure Ordinances PPP and Collaboration with NPOs induces more citizen's participation
	Negative Impacts	Diversification of Quasi Government Entities makes government work less visible	Municipal merger weakens citizen's controllability

Source: Author's own Research

In a nutshell, reforms at the central level were much more on performance trust than relational trust dimension. But its positive impacts seem to be rather limited and unsuccessful (see Van de Walle 2004). There can be many negative impacts on performance trust at the same time. These negative impacts correspond with the side effects of NPM (Dunleavy 2005, Suleiman 2005). There are positive impacts on relational trust with the information disclosure efforts toward transparent government. However, these measures seem only confined to be utilized for the exposure of scandals in government. At the local level, there seems to have positive impacts on trust in government. Local governments in Japan are indigenously close to the real public life with extensive list of functions and services. In addition, with more enthusiastic efforts than the central level, many reforms were implemented and there seems to succeed in producing more positive impacts on both

kinds of trust: although it is hard to analyze the efforts to ensure the trust level in real term due to insufficient data. Specifically, efforts for PPP or collaboration with NPOs and citizens for participatory, responsive and partnership governance would have considerable influences on public trust in local governments. Nonetheless, local governments are currently encountering financial difficulties; the citizens would be disenchanted with the fraud of the reform, if the efforts of PPP or collaboration are just resulted in the off-loading of local governments' responsibilities to their citizens.

## CONCLUDING REMARKS

It is my tentative conclusion that trust in government in Japan has been eroding mainly due to the deteriorating image of central bureaucracy and the reforms in the central government have contributed little to rebuild trust level, while the reforms of local level have positive impacts on trust level to some degree. Consequently, the influences of reform efforts are confined to the local level more or less. The central bureaucracy was once seen as one of the most trustful social agents with influential powers of the nations. With policy failures to adopt the environmental change (global equal competition, growing awareness of civil society and the like) and dirty scandals, the trustworthy image has been gradually vanished. The extensive reforms were cyclically implemented within last twenty years or so. There have been indirect measures to ensure public trust in government. Yet, each measure seems not to succeed in improving positive impacts on trust in government.

In contrast, local governments' efforts seem to be comparatively successful to have favorable impacts on trust in government. The wide roles and functions of local governments involve a close relationship with the daily life of citizens. Contrary to the declining role of national bureaucrats and hardly seen their activities, citizens seem to have much a big stake in their local governments. Local governments in Japan have succeeded in developing a sufficiently broad based constituency for themselves. Local governance reforms for more participatory, responsive and partnership governance strengthened positive impact on trust in local government.

This account is still a plausible assumption and need an empirical scrutiny. Lack of sufficient data causes some difficulties to have a proper understanding of conditions of trust in government and to assess the causality between reform efforts and trust level (Nye 1997, Suleiman 2005)<sup>11</sup>. Even then, trust in government is a central concern for the government reformers. Without sufficient support from the citizens, the government cannot accomplish the policy target and moreover it will lose constituency and could be dissolved at any times. It is also considerably significant and a necessary prerequisite in the pursuit of sound governance. In that sense, trust in government is imperative for the future role and shape of public administration.

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<sup>11</sup> There is at least a significant relationship between the frequency of contacting politicians, government or local public officials and levels of trust in public officials (Institute of Local Government Studies, University of Birmingham, 2006). This account may present the evidence that efforts for participatory government have positive impacts on trust in government.



**Table 5. Citizen's Trust in Political Institutions in Asian Countries**

	Japan	Republic of Korea	Taiwan	Singapore	Malaysia	Indonesia	Thailand	Philippine
%				Police Court Government Public Servant Military Leader			Military	
80-90				Parliament Big Business Political Party Media		Public Servant		Media
70-80					Government Court Military Leader Public Servant	Military Media Government Parliament	Big Business Public Servant Media	
60-70					Police Parliament Media Big Business Political Party	Police	Court	Military Public Servant Government Court
50-60		Military	Public Servant					
40-50	Military Court Police Public Servant	Media	Military Leader Government Big Business			Leader Political Party	Police	Parliament Police
30-40		Police Court Public Servant	Police Media Court			Court Big Business	Leader Parliament	Leader Big Business Political Party
20-30	Big Business Media Parliament	Government	Political Party				Government Political Party	
10-20	Government Political Party Leader	Big Business	Parliament					
0-10		Leader Political Party Parliament						

Note1: Survey was conducted on October 2000 at each surveyed country through the Gallup associated opinion poll survey companies.

Note 2: Here the "Government" means "Elected Government".

Source: Inoguchi (2004)

\*Modified from Administrative Management Bureau, Ministry of Internal Affairs and Communications

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