

ASIAN REVIEW OF PUBLIC ADMINISTRATION

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Editorial Introduction

PAN SUK KIM, Editor-in-Chief
and
ROGER WETTENHALL, Associate Editor

Special Conference Issue

The *Asian Review of Public Administration (ARPA)* had planned to base its second issue for 2011 around the annual EROPA Conference and General Assembly scheduled to be hosted by the (Thai) National Institute of Development Administration in Bangkok in October 2011. Preparation for EROPA 2011 was well under way when Bangkok was hit by severe flooding, necessitating postponement of the conference to February 2012. Accordingly this *ARPA* issue was necessarily also delayed, reflecting the host city's calamitous encounter with natural disaster, and we must live with the anomaly that some early 2012 dates are shown in an issue that completes the 2011 volume of *ARPA*.

An EROPA conference features both plenary and other conference-wide sessions and a number of parallel panel sessions based around specialized topics of theoretical and practical interest to public administrators. The articles in this special EROPA 2011 conference issue (vol.22 no.2) have been developed from presentations selected from the plenary and general conference sessions in Bangkok. We expect that the next issue (vol.23 no.1) will include a number of articles developed from selected presentations in the parallel panel sessions.

The Articles that Follow

In the first article, Professor Pan Suk Kim of Yonsei University, South Korea, and editor-in-chief of *ARPA*, presents a forward-looking argument developed from a plenary address at EROPA 2011 that proposes the future development of a common school of administration in East Asia. He reviews existing efforts in Asia – and especially East Asia – to establish regional arrangements for peace and security, drawing on the model of the European Union for comparative purposes. He looks particularly at existing regional public administration associations and at what he describes as the convergence of administrative space. The proposal for a common school emerges easily in this context, and deserves to be given an important place in EROPA's planning for the future.

The second article, by Dr Chirayu Isarangkun Na Ayuthaya, Chairman of Council of the Thai National Institute of Development Administration (or NIDA), the conference host organization, is developed from the EROPA 2011 opening address. It reflects on economic and administrative aspects of world development, and particularly on the distinctive Thai development model. There is much in this model, known as Sufficiency Economy Philosophy (SEP), that will interest public administrators in other countries with

development concerns, and it may surprise many to discover the important part the Thai monarch has played in the evolution of this model.

The third article, by long-time EROPA friend and supporter Professor Akira Nakamura, of Meiji University, Toyo, Japan, draws from the major theme of EROPA 2011 in reflecting on the mounting challenges, declining resources and rising expectations confronting governments in the Asia-Pacific region. Particular challenges identified arise from problems of governmental legitimacy, economic transformation, and lack of citizen trust. Major avenues to be followed in seeking the way forward are also identified: prominent among them are the vital need to tackle corruption, and the equally strong need to improve the quality of public services.

It was on Professor Nakamura's initiative that an "Asian Leaders' Forum" has been included in recent EROPA conferences, and we are pleased to include as the fourth article in this issue of *ARPA* a paper developed from a Forum address at EROPA 2011 by Yasuyuki Kitawaki, former mayor of an important Japanese city, former member of the Japanese House of Representatives and now visiting professor at Josai University. In this article Professor Kitawaki reviews the huge challenge currently faced by the Japanese government in designing and implementing major financial retrenchment strategies, and draws attention to the innovative idea and practice of "The New Public Commons", which seeks to stimulate sustainable local and community effort that will relieve some of the pressures on central government. This too is a development which will interest public administrators in many countries facing challenges not so dissimilar from those now being experienced in Japan.

In the final article Professor Sombat Thamrongthanyawong, President of NIDA, draws on his plenary address at EROPA 2011 to review some major challenges facing administrative systems today, and opportunities and possibilities for innovation arising from them. The discussion of natural disaster as one of the major challenges offers echoes of the disastrous Bangkok flooding that led to the delay in staging the EROPA 2011 conference. Here and in other parts, the article notes on-going movement in ASEAN countries towards regional integration, and so establishes a link with the proposals in Professor Pan Suk Kim's opening article.

Biosketch

Pan Suk Kim is currently Director of the Institute for Poverty Alleviation and International Development (IPAID) and Underwood Distinguished Professor of Public Administration in the College of Government and Business at Yonsei University in South Korea. He is the first Asian to be chosen as the President of the International Institute of Administrative Sciences (IIAS). He was elected to this position during the IIAS/IASIA Congress in Bali, Indonesia, in July 2010. IIAS (www.iias-iisa.org) is a global association of administrative sciences and its secretariat is located in Brussels, Belgium. Prof. Kim's e-mail address: [<pankim@gmail.com>](mailto:pankim@gmail.com) or [<pankim@yonsei.ac.kr>](mailto:pankim@yonsei.ac.kr).

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Integrating Asian Administrative Space through Asianization toward the Asian Union¹

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Abstract

The purpose of this article is to discuss the possible integration of Asian administrative space in terms of regional convergence. Asia is a very diverse region so that it is difficult to mobilize many Asian countries for possible integration, but it is worthy to pursue the possible development of the Asian Union or similar regional arrangement for peace and common prosperity. In terms of regional integration, the case of the European Union could provide a useful reference for the possible establishment of the Asian Union in the future. Accordingly, the case of the Europeanization will be first reviewed, followed by a discussion of the regional integration of Asia, the development of public administration associations in Asia, and the convergence of administrative space and systems in Asia. A proposal is made for the possible establishment of a common school of administration in East Asia.

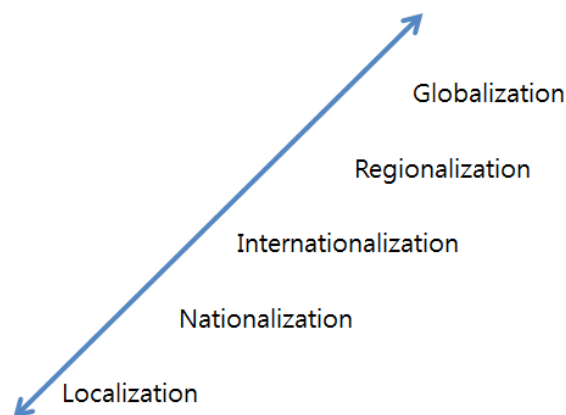
Introduction

The purpose of this article is to discuss the possible integration of Asian administrative space in terms of regional convergence. Asia refers to the nations of the Asian continent collectively, which differ widely among themselves with regard to ethnic groups, cultures, environments, economics, and government systems. Over the years, globalization has been widely emphasized in the world, but Asian regionalization — or Asianization — has not been fully taken up. Globalization is an unavoidable current trend. At the same time, however, regionalization might also be needed for integrating regional communities, although there is a high degree of difference within the Asian region (Reed 1997; Friedberg 2000; Miles 2000; Stubbs 2002; Fort & Webber 2007).

Basically, there are two directions development can take, driven by centripetal and centrifugal forces respectively, but often operating simultaneously. From a central concentration, localization is one of the forces that many countries are promoting, resulting in internal localization or decentralization, including de-concentration and devolution. Externally, many societies are moving forward with enhancing bilateral and/or multilateral relationships with foreign countries. Internationalization generally refers to a process of increasing involvement with international partners, but there is no agreed definition of internationalization. In a narrow sense, internationalization could be interpreted as a bilateral process of increasing involvement between nations or entities. Furthermore, more broadly speaking in terms of a global community, globalization could refer to the increasing global relationships of culture, people, and economic activity, as well as the transnational circulation of ideas and popular culture.

There is also no agreed definition of globalization and, particularly, it is true that the concept of economic globalization is quite controversial. Since the purpose of this article is not to argue about the definitions of internationalization and globalization, conceptual discussion on these issues is beyond its scope. Instead, what it argues is that there is not much discussion on regionalization in the Asian context. Many countries attempted to deal with globalization for various purposes, but it seems that they did not pay much attention to regional connections with their neighbouring countries. Regionalization is the tendency to form a more collaborative regional cooperation, or the process of doing so (Schiff & Winters 2003; Rozman 2004). In the Asian context it could be referred to as Asianization, or possible Asian integration for the development of the Asian Union, while maintaining each country's own characteristics.

Figure 1
Directions of Internal and External Developments



In order to see the possible direction of Asianization, looking at the case of the European Union might be relevant and informative because the European Union did not happen overnight. Likewise, Asianization would require many years, and various steps would need to take place for it to materialize. Moreover, Asia is a very diverse region so that it will be difficult to mobilize many Asian countries for possible integration even in an economic dimension. Nevertheless, Asianization might bring important benefits to many Asian countries.

In the following sections, the case of Europeanization will be reviewed, followed by a discussion of the possible regional integration of Asia, the development of public administration associations in Asia, and the convergence of administrative space and systems in Asia. A proposal will be made for the possible establishment of a common school of administration in East Asia.

The Case of Europeanization: The European Union

In terms of regional integration, the case of the European Union (EU) could provide a useful reference for the possible establishment of the Asian Union in the future. The European Union was set up with the aim of ending the frequent and bloody wars between neighbours, which culminated in the Second World War. As of 1950, the European Coal and Steel Community (ECSC) began to unite European countries economically and politically in order to secure lasting peace.² The six founders were Belgium, France, Germany, Italy, Luxembourg, and the Netherlands. The 1950s were dominated by a cold war between east and west. The European Coal and Steel Community was the first organization to be based on the principles of supranationalism. So in terms of history, the EU traced its origins from the European Coal and Steel Community, which was first proposed by the French foreign minister, Robert Schuman, in 1950 as a way to prevent further war between France and Germany. Schuman proposed that the Franco-German production of coal and steel as a whole be placed under a common High Authority. According to his proposal of 9 May 1950, the Schuman Declaration that created the ECSC had several distinct aims: (1) it would mark the birth of a united Europe; (2) it would make war between member states impossible; (3) it would encourage world peace; (4) it would transform Europe by a “step by step” process building through sectoral supranational communities; (5) it would create the world’s first supranational institution; (6) it would create a single market across the Community; and (7) it would, starting with the coal and steel sector, revitalize the whole European economy by similar community processes.

Also in 1957, the Treaty of Rome created the European Economic Community (EEC) or Common Market. With the collapse of communism across central and Eastern Europe, Europeans became closer neighbours. In 1993, the Single Market was completed with the “four freedoms”: movement of goods, services, people, and money. The 1990s was also the decade of two treaties, the Maastricht Treaty on European Union in 1993 and the Treaty of Amsterdam in 1999. Currently made up of 27 member states, the European Union now has a long history. The single market is the EU’s main economic engine, enabling most goods, services, money and people to move freely. Another key objective is to develop this huge resource to ensure that Europeans can draw the maximum benefit.

Currently, there are three main institutions involved in EU legislation: (1) the European Parliament, which represents the Union’s citizens and is directly elected by them; (2) the Council of the European Union, which represents the governments of the individual member countries, with the Presidency of the Council shared by the member states on a rotating basis; and (3) the European Commission, which represents the interests of the Union as a whole. In principle, the Commission proposes new laws, and the Parliament and Council adopt them. The Commission and the member countries then implement them, and the Commission ensures that the laws are properly applied and implemented. The European Commission is divided into departments known as Directorates-General (DGs), roughly equivalent to ministries. Each covers a specific policy area or service, such as trade or environment, and is headed by a Director-General who reports to a Commissioner. Around 38,000 people are employed by the European Commission. Two other institutions play vital roles: the Court of Justice upholds the rule of European law; and the Court of

Auditors checks the financing of activities. The European Union has a number of other institutions and inter-institutional bodies that play specialized roles.

Regional Integration in Asia: Regional Cooperation Entities in Asia-Pacific Region

Regional integration has been an important issue for many regions and countries around the world. Since the European Union has been operating, a number of regions and countries have considered forming a regional entity similar to Europe's. Could an Asian Union (AU) likewise be possible in the future? This is one of the big questions for Asia.

Given the diversity of Asian cultures, environments, histories, and so on, I will from this point on focus mostly on the East Asian region where the actuality of a number of working collaborative bodies, sometimes extending into the Pacific, suggests a capacity for further development along the lines I am now proposing. The hope is that successful development here might lead to expansion into other parts of Asia, but that is a bigger and longer-term challenge.

There are a number of Asia-Pacific regional cooperation entities as shown in Table 1.

Table 1
Regional Cooperation Entities in Asia-Pacific Region

- **ASEAN:** Association of Southeast Asian Nations (10 countries) <http://www.asean.org>
- **ARF:** ASEAN Regional Forum (26 countries + ASEAN Secretariat + EU) <http://aseanregionalforum.asean.org>.
- **APEC:** Asia-Pacific Economic Cooperation (21 countries) <http://www.apec.org>.
- **SAARC:** South Asian Association for Regional Cooperation (8 countries) <http://www.saarc-sec.org>.
- **ASEM:** Asia-Europe Meeting (16 countries + ASEAN Secretariat + 27 EU member countries + European Commission) <http://www.asef.org>.
- **CSCAP:** Council for Security Cooperation in the Asia Pacific (19 countries + Europe SCAP) <http://www.cscap.org>.
- **EALAF:** East Asia-Latin America Forum (15 countries + 12 Central and South American Countries) <http://www.falae.org>.
- **AMM-PMC:** ASEAN Ministerial Meeting-Post Ministerial Conference (26 countries + ASEAN Secretariat + EU)

ASEAN, the Association of Southeast Asian Nations, is a geo-political and economic organization of ten countries originally formed in 1967 by Indonesia, Malaysia, Philippines, Singapore, and Thailand. Since then, the members have increased to include Brunei

Darussalam, Myanmar, Cambodia, Laos, and Vietnam, aiming to accelerate economic growth, social progress, and social development among its member countries.³ The South Asian Association for Regional Cooperation (SAARC) was formed in 1985 with seven founding members: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka, with Afghanistan joining in 2005. The SAARC headquarters are located in Kathmandu, Nepal.⁴

Later the Asia-Pacific Economic Cooperation forum (APEC) was established in 1989. It is a forum for 21 Pacific-rim countries that seeks to promote free trade and economic cooperation throughout the Asia Pacific region.⁵ Of course APEC includes Asian countries and non-Asian countries. It was established in response to the growing inter-dependence of the Asia-Pacific economies and the events in the regional economic blocks, such as the European Union.

The European Union actually stimulated the development of other regional corporations and regional blocks around the world. It may be possible for Asia, or East Asia, to build up a regional union like the EU in the future. But it may take many years and stepping stones just like in Europe. The Asian Union can be built up, perhaps, with a gradual approach, such as the extension of the free trade agreement (FTA) and other forms of regional cooperative community. Looking at the European model, several steps can be seen in the beginning: the European Union originated in the European Coal and Steel Community in 1950 and then became the European Economic Community in 1957. A social union followed later and, finally, a political-administrative union in the 1980s. Achieving the European Union thus took several steps—from economic integration to social union and finally to political-administrative union.

In addition, free trade agreements (FTAs) could create preferential arrangements, usually between countries that want economic growth. Free trade agreements differ from basic trade agreements as they aim to eliminate tariffs or taxes, such as those on services, goods, and investments. Free trade agreements are guided by many rules and offer different benefits, like reduced trade quotas. For example, the North American Free Trade Agreement (NAFTA) is an agreement signed by the governments of Canada, Mexico, and the United States creating a trilateral trade bloc in North America. The agreement came into force on 1 January 1994. As noted, the Association of Southeast Asian Nations began in 1967. Through its trade agreement, tariffs between the member countries have been reduced to less than 5 percent, although the goal is to establish a completely free-trade zone before 2020. The African Free Trade Zone (AFTZ) was launched primarily among countries located in eastern and southern Africa, such as Zambia, South Africa, Botswana, Kenya, Ethiopia, Sudan, Egypt, and Libya. The Caribbean Community (CARICOM) is a treaty organization among Caribbean countries, including the Bahamas, Barbados, Belize, Haiti, Jamaica, Suriname, Guyana, and Trinidad and Tobago.

The Development of Public Administration Associations in Asia

There are several regional associations of public administration around the world. They include: (1) the International Institute of Administrative Sciences (IIAS) and its affiliates,

the International Association of Schools and Institutes of Administration (IASIA, on which see Bertucci 2011), the European Group for Public Administration (EGPA), and the recently established Asian Group for Public Administration (AGPA, on which see below); (2) the African Association for Public Administration and Management (AAPAM); (3) the Latin American Group for Public Administration (LAGPA); and many others. The American Society for Public Administration (ASPA) is a large professional association, but it is a national association. As an example, EGPA, established in 1975, is a solid professional association; it has many study groups, each such group managed by a Director and a Chairperson, with membership necessarily comprising academics and practitioners. Papers contributed by members are country studies or comparative studies, which are discussed in the meetings of the groups during the annual conference. The work of each group is geared towards a publication or series of publications.⁶

The African Association for Public Administration and Management is a well-established regional professional association for African public administrators and managers, and is a forum for the articulation and dissemination of ideas on human capacity-building and development issues in the African region. The Association was formed in 1971 in Freetown, Sierra Leone. Its headquarters are in Nairobi, Kenya. It has a membership of over 500 top administrators and managers from many African nations, and 50 corporate members that include institutions and schools of public administration and management, as well as public sector institutions in the continent.⁷

Asian professors and researchers are, in my observation, lonely fighters mostly working alone. This may impair their productivity. On the other hand, European academics frequently work together, exchange information in conferences, and so on, which enables them to produce more books and articles, develop more creative ideas, etc. In Asia we also need to work together and to develop an Asian model of public administration through collective wisdom. Collective wisdom, also called group wisdom, is shared knowledge arrived at by individuals and groups working together, to be characterized by collective learning over time.

Another situation is that many East Asian countries have been heavily influenced by American public administration. In Korea, for instance, many social science professors studied in and have PhDs from US universities. For example, in any large comprehensive university in Seoul, the public administration department has several professors, the majority of whom received their PhDs in America. Since the Korean War in 1950-53, many Korean students went to the USA for higher education so that it is fair to say that public administration in Korea has been heavily influenced by American public administration. This is not just for public administration; other fields can be expected to have a similar situation.

Having a closer relationship with the USA is quite common for many countries in Asia. For example, Taiwan has been substantially influenced by American public administration. The position is similar in mainland China. Such relationships have helped many Asian counties to enhance the quality of their public administration education and training.

There have been other major international influences too, well exemplified by the legacy of British models still apparent in the former British colonies; that in many of them the machinery of government still follows Westminster/Whitehall lines illustrates the point well. The French prefectural system was influential when local government systems were being modernized in some Asian countries on the Indochina peninsula.

This has been helpful, but now Asian countries need to broaden their outlook and adopt a more global point of view; perhaps relationships with other countries may now need to be diversified. For example, the Korean public administration community is building its relationship with its European counterparts. More active relationships with other parts of the world, not only European countries but also Oceania, Latin America, Africa, and particularly within Asia, also need to be built up.

In terms of the establishment of a professional association of public administration, there are two significant developments that have been made in the past few years: (1) the establishment of the Asian Association for Public Administration (AAPA); and (2) the establishment of the Asian Group for Public Administration (AGPA). Composed of individual members, AAPA was established in 2010 with the aim of expanding and improving research and academic exchange on public administration and management in the Asian region.⁸ Composed of institutional members, AGPA was established in 2011 in collaboration with the International Institute of Administrative Sciences (IIAS). As a matter of interest, these entities will use EROPA's journal *Asian Review of Public Administration* as a common venue for possible publications.

Prior to the appearance of these entities, the Eastern Regional Organization for Public Administration (EROPA) had been the only significant multi-country public administration association operating in Asia.⁹ Its beginnings date back to February 1958 when the representatives of the governments of eleven south and east Asian countries gathered in Saigon to hold preliminary talks on establishing a permanent institution to promote good government in the area. In June 1958, a two-week conference was held in the cities of Manila and Baguio. In attendance were delegates and observers from Australia, Taiwan, Hong Kong, India, Indonesia, Japan, the Republic of Korea, New Zealand, Pakistan, the Philippines, Singapore, and the Republic of Vietnam. International organizations, including the International Institute of Administrative Sciences (IIAS), were also represented.

With three such bodies now in existence, it is expected that collaboration among them will stimulate more public administration research and review activity in the Asian region. For example, more activities could be expected to be seen in the near future, such as exchanging a memorandum of understanding with relevant institutions in member countries. A sisterhood relationship among the three associations could develop, as could exchange programs and forums or meetings not only for academia but also for government officials (including directors, director-generals, deputy ministers, and ministers). These activities can be promoted not only for public administration but also for a broad range of sciences and/or social sciences. To facilitate all this, cross-country (trans-Asian) activities need to be developed, and it is hoped to promote joint education and training programs and joint schools to serve common interests and provide mutual benefits in the near future.

Convergence of Administrative Space and System in Asia

The administrative space represents an evolving process of increasing convergence between administrative, legal, and political practices. Such convergence is influenced by several driving factors, such as economic pressures from individuals and agencies, regular and continuous contacts between officials and citizens, regional communities, international agreements such as free trade agreements (FTAs), governance agendas, economic development, cultural exchanges, etc. Thus there have been a number of changes in the European Union. For example, citizens of one EU country can now become civil servants in another. In other words, the EU member states have adopted similar regulations, and it is fair to say that the nationality principle for civil servants has become almost obsolete, with national protective clauses only capable of being applied in narrow bands. Similar things have happened in East Asia, but at a slower pace. In Korea, for example, foreigners can apply for government jobs; once selected, they may be required to have Korean citizenship, but in terms of the recruitment process, or application process, they are not discriminated against. From the legal point of view, there is equal opportunity in applying for government jobs.

In addition, social integration has been strengthened over the years. For example, those who have lived in Korea for several years with legal residence status (even though not citizens) are able to vote in local elections. Moreover, foreign-born Koreans are becoming public officials. In the election on 11 April 2012, for example, a Filipino widow whose name is Jasmine Lee became a congresswoman in the National Assembly. There are also an increasing number of foreign-born public officials, including police and welfare specialists, in the Korean government. Since migrant workers and students are increasingly coming from South Asian countries to Korea, such a phenomenon could be expected to increase over the years. In terms of migration or human exchange, Korea now has many foreign residents, including legal and illegal migrants/residents, perhaps as many as 1.5 million. The largest proportion of foreigners would be Chinese and Vietnamese, followed by Japanese, Filipino, Mongolian, and Indonesian. The society is becoming more diverse and that diversity is becoming an important cultural element in Korea.¹⁰

We are also seeing an increasing trend in regional convergence of administrative systems in East Asia (Stubbs 2002; Rozman 2004; Pempel 2005). Historically speaking, Imperial China had a lot of influence in East Asia, including the imperial examination, which was an examination system designed to select the best administrative officials for the state's bureaucracy. This system had a great deal of influence on both society and culture in Imperial China and neighbouring countries, including Korea, Japan, Vietnam, Taiwan, etc. The old system does not exist anymore, but its influence still remains in these countries.

In the pre-modern era, Japan also influenced China and Korea particularly in the area of legal systems and studies. The German legal system had influenced Japan and that in turn was relayed to Korea and China (including Taiwan). When Korea became independent from Japanese colonial rule in 1945, a college of law was established, and thereafter public administration education was heavily influenced by the German/Japanese style of legal studies.

In the modern era, public sector reform prevails almost everywhere. The influence of innovative public sector reform has been felt across countries in East Asia, including Japan, Korea, China (including Taiwan), and neighbouring countries in Southeast Asia. For example, Korea revised the civil service laws many times, and the Korean government established the Senior Civil Service (SCS) in 2006; these changes affected neighbouring countries. Based on this, for example, the Taiwanese agency is also developing a senior civil service. It can be seen that there is great interaction or exchange of ideas in East Asia; countries are widely influencing each other in areas of public sector reform, such as administrative reform, financial reform, civil service reform, electronic government, public-private partnerships (PPP), decentralization, etc.

In China, many reforms are evident, except political reforms. Public sector and civil service reforms have been broadly introduced at both central and local levels. Such development has affected neighbouring countries as well. Vietnam is also promoting a lot of change and innovation in both private and public sectors. This has led to many changes in Southeast Asian countries. Thus the Chinese civil service law promulgated in 2005 influenced the Vietnamese government, which brought in its own civil service law in 2008. This in turn has influenced neighbouring countries in the Indo-Chinese peninsula.

The Korean government has had an open employment system from the late 1990s, which influenced Indonesia and Vietnam, and training innovation is also taking place in Laos, Cambodia, etc. Therefore it is fair to say that administrative systems and administrative space are certainly affected by administrative practices of neighbouring countries, and this convergence phenomenon will increase over the years through open communications and virtual space.

A Proposal for the Establishment of the CHIJAKO School of Administration

It is relevant to consider a joint education program established in Australia and New Zealand—the Australian and New Zealand School of Government.¹¹ ANZSOG was established in 2002 with the vision of creating a leading educational institution that teaches strategic management and high-level policy to public sector leaders in both countries; it was formed by a consortium of governments, universities, and business schools from the two countries. It has 10 government partners (New Zealand, the Commonwealth of Australia, the States of New South Wales, Queensland, South Australia, Tasmania, Victoria, and Western Australia, the Australian Capital Territory, and the Northern Territory) and 16 university and business school members (Australian National University, University of Canberra, and others), all of which contribute to ANZSOG's programs, although coordinating the various interests of all these organizations could not be an easy task!

The ANZSOG model is very interesting for East Asian countries. My proposal is that the East Asian countries should establish the CHIJAKO School of Administration (CHIJAKO-SOA), with CHIJAKO referring to China-Japan-Korea. If these three East Asian countries work together, they could develop a common school of administration focusing on three core activities: (1) public sector executive education; (2) a case study program; and (3) a research program. There will of course be difficulties in developing such a school.

But it would be good to have a joint training or education program on common issues, such as environment protection, crisis and natural disaster management, electronic governance, public sector reform, comparative administration, and comparative policy. Big issues lie beyond the capacity of individual countries to settle. Thus the recent Fukushima nuclear disaster is not just a Japanese problem. There are nuclear power plants in Korea, China, and other countries. We need joint studies to work together to solve potential crises and natural disasters.

Another interesting case for reference might be the European Public Administration Network (EUPAN), which is an informal network of the Directors-General responsible for public administration in the member states of the European Union, the European Commission, and observer countries. The informal structure of the network is steered by the ministers responsible for public administration in the various countries. EUPAN is organized on three levels: (1) political level (ministers and the EU commissioner responsible for Public Administration); (2) management level (Directors-General); and (3) technical level (working-groups).¹² Its mission is to improve the performance, competitiveness, and quality of European public administration systems by developing new tools and methods based on the exchange of views, experiences, and good practices among EU member states, the European Commission, observer countries, and other organizations. Based on these kinds of models, the Asian Public Administration Network could be developed in the future.

As a matter of fact, the Trilateral Cooperation Secretariat (TCS) was established in 2011 as an international organization with a vision to promote peace and common prosperity among the People's Republic of China, Japan, and the Republic of Korea.¹³ Upon "the Agreement of the Establishment of the Trilateral Cooperation Secretariat" being signed and ratified by each of the three governments in 2010, the Trilateral Cooperation Secretariat was officially inaugurated in Seoul on September 2011. On the basis of equal participation, each government shares one-third of the total operational budget. Decisions are made by a consensus of the Board composed of the Secretary-General and two Deputy Secretary-Generals from the three countries. Trilateral cooperation has come a long way since the leaders of the three countries met during the historic breakfast meeting on the sidelines of the ASEAN Plus Three in 1999. Reflecting the ever-expanding trilateral cooperation, the People's Republic of China, Japan, and the Republic of Korea began to hold independent trilateral summit meetings from 2008. In addition to the annual Trilateral Summit, these three countries have many trilateral consultative mechanisms, including ministerial meetings and cooperative projects. Based on TCS, the Meetings of Heads of Personnel Authorities (Trilateral Personnel Policy Network), first occurring in 2005, were renewed in 2010. Moreover, the Joint Training Program for Young/Middle-Level Public Employees among the Three Personnel Authorities, commenced in 2007, has also been brought into this network, but its progress has been slow and it is stagnant at the moment.

Concluding Remarks

The Asian economic crisis helped to galvanize the regional governments into action. It certainly produced a dramatic change in thinking among both political and business leaders in Asia and a growing realization of the urgent need for the creation of a formal

regional mechanism to deal with any similar crisis in the future (Stubbs 2002). After the 1997 Asian Financial Crisis, several Asian countries started a new initiative to manage regional short-term liquidity problems and to facilitate the work of other international financial arrangements and organizations like the International Monetary Fund (IMF). Accordingly, China, Japan, South Korea, and the Association of Southeast Asian Nations (ASEAN) entered into the Chiang Mai Initiative (CMI) in 2000 in a bid to prevent the outbreak of a foreign exchange crisis in the region. CMI began as a series of bilateral swap arrangements after the ASEAN Plus Three (APT) countries met in Chiang Mai, Thailand, at an annual meeting of the Asian Development Bank. CMI is now an established multilateral currency swap arrangement among the members of ASEAN, China (including Hong Kong), Japan, and South Korea. It shows how the long-term regionalization trends identified in this article will continue to help knit the region together.

There are daunting challenges ahead, but there is limited capacity to deal with them. Continuous improvement in innovation is needed along with regional cooperation, as is fiscal reform, regulatory reform, governance innovation, capacity building, etc. Asian nations' public capacities must be strengthened, standards and benchmarks need to be developed, partnerships need to be sought, cooperation established, and experience on good practice shared. Mutually beneficial administrative space in Asia also needs to be developed. The scope of public administration is expanding; in the old days, public administration meant local and central government, but nowadays public administration also includes dealing with public authorities, public enterprises, as well as public-private partnerships and civil society. The nature of public administration is very complex and complicated so that working together is necessary to solve many common problems in Asia.

Therefore some regional convergence is certainly needed, although countries' specifics have to be respected. There might be some degree of divergence in securing a country's own special identity and specific culture. In general, however, regional convergence is expanding in Asia and hopefully in the future an Asian Union can be developed. Some individuals are trying to promote the Asian professional associations for the Asian Union, but progress so far has been limited. Asians need to promote this idea and work together to build a strong Asian Union like the EU. In order to do this in the field of public administration, a broader association needs to be built. EROPA, AAPA, and AGPA exist now and complement each other; they need to grow well and take on more responsibility in shaping development in the direction I am proposing.

In terms of a geopolitical dimension, as I have shown, there are several Asian (or East Asian) regional organizations including ASEAN, SAARC, and others. Based on ASEAN, ASEAN Plus Three (including China, Japan, and Korea) has been developed and now there is also a discussion to expand it to ASEAN Plus Four (including China, Japan, Korea, and India) or more. Over the years these regional entities are expected to grow larger, although the development pace might be slower than hoped for.

In the area of economic integration, there are various stages of economic integration around the world: economic and monetary union, economic union, customs and monetary union, common market, customs union, and multilateral free trade area through a free trade

agreement. There is a variety of trade agreements, with some being quite complex while others are less intensive. Nonetheless the increase of such agreements would also promote regional integration in Asia.

Sadly, however, the public administration network in Asia was not well developed. Comparative studies on Asian public administration have also not been well developed (Kim 2009; 2010; 2011). It is a positive sign that AAPA and AGPA have emerged in recent years to complement EROPA. These entities could develop over the years in promoting further development of public administration in Asia. The Trilateral Cooperation Secretariat was also established to promote common prosperity among the People's Republic of China, Japan, and the Republic of Korea in 2011, and it is expected to do more in the future, but until now its overall activities have been limited. One possible thing that TCS could do is to promote the establishment of a common school of administration for education and training, as mentioned earlier.

In this process, however, larger or more powerful countries must work closely with smaller or less developed countries based on a win-win cooperation. If any attempts for regional integration are based on a zero-sum game, it could jeopardize close collaboration. Therefore any imperialistic attempts should be avoided, and the spirit of coexistence and co-development must be shared among all countries in the region. The aim must be to enhance and extend the movement towards regional governance in Asia, with the ultimate objective of the Asian Union.

Notes

¹ This is the revised version of the speech delivered at the annual conference of the Eastern Regional Organization for Public Administration (EROPA) in Bangkok on 20 February 2012. This work was also supported by the National Research Foundation of Korea Grant funded by the Korean Government (NRF-2010-413-B00024).

² Information in this and the next few paragraphs was drawn from http://europa.eu/about-eu/eu-history/index_en.htm.

³ See <http://www.asean.org>.

⁴ See <http://www.saarc-sec.org>.

⁵ See <http://www.apec.org>.

⁶ See <http://iias-iisa.org/egpa/e/Pages/default.aspx>.

⁷ See <http://aapam/org>.

⁸ Its history goes back to 2001 when the First Asian Forum on Public Management was held in Hong Kong, initiated by Professors Akira Nakamura (Japan), Pan Suk Kim (Korea), Jon Quah (Singapore), and Anthony Cheung (Hong Kong). Since then, there have been several meetings, and the 9th Asian Forum on Public Management as well as the inaugural meeting of Asian Association for Public Administration was held in Tokyo on 29-30 January 2010, AAPA was formally established, and a charter approved by all participants: <http://www.ied.edu.hk/cgc/aapa/#history>.

⁹ See <http://www.eropa.org.ph/about-us/history.html>.

¹⁰ See <http://www.immigration.go.kr>.

¹¹ See <http://www.anzsog.edu.au>.

¹² See <http://eupan.eu>.

¹³ On TCS, see <http://www.tcs-asia.org>; <http://www.mofa.go.jp/region/asia-paci/jck/summit1005/memorandum.html>; <http://www.fmprc.go.cn/eng/zxxx/t843840.htm>.

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Biosketch

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Sufficiency Economy Philosophy and Sustainable Development for Public Administration¹

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Abstract

The conflict and violence ravaging the world have drawn attention to flaws in the prevailing world development model. Thailand had been doing well according to that model, but it suffered greatly in the East Asian economic crisis of 1997. Out of that experience, it moved to adopt a new model, described as Sufficiency Economy Philosophy (or SEP), that was proposed by the King. This model teaches the need to maintain fiscal discipline and rethink the role of the state, with the people in each local community determining their own sustainable development with an appropriate balance of economic, societal, environmental, and cultural objectives.

Models of World Development

Since the Second World War, western countries have been successful in acting as the locomotives and main engines of growth in bringing expansion and development to the world economy while at the same time providing some assistance and relief to economies which were lagging behind. However, recent events have suggested that we can no longer rely on this world development model. Financial crises have hit the western economies in recent times, and there is little global confidence that these former leading economies can overcome their problems to emerge again as strong as before. Conflicts and violence are ravaging the world; indeed many people have argued that these troubles may be attributed to the flaws of the prevailing world development model which has allowed social and economic disparities to widen to such an extent that dissatisfactions have turned into violent conflicts. Other factors have added to the woes of the global scenario. One is global warming resulting from economic growth which has not taken into account the negative excessive use of carbon. Another is the sky-rocketing rise in the price of energy as world consumption outstrips the production of traditional fossil energy sources.

It is no longer possible to think of business as usual, and in a conference devoted to Challenges, Opportunities and Innovations in Public Administration in the Next Decade, it is appropriate to draw attention to the *Growth Report: Strategies for Sustained Growth and Inclusive Development* that was prepared by a special World Bank study commission under the leadership of Professor Michael Spence, Nobel laureate of Stanford University (Commission on Growth and Development 2008). This report identified 13 countries with sustained high growth in the post-war period and tried to present “policy ingredients of successful growth strategies”. Over a period of at least 25 years, these 13 countries had

grown at an average rate of 7 percent a year or more, a formidable achievement. Nine of these 13 countries are in our region: China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Singapore, Taiwan, and Thailand. For Thailand, the period of sustained high growth was 1960-97, a period of 37 consecutive years.

Five striking points of resemblance were identified among the 13 economies:

1. They fully exploited the world economy.
2. They maintained macroeconomic stability.
3. They mustered high rates of saving and investment.
4. They let markets allocate resources.
5. They had committed, credible, and capable governments.

While reporting these success stories, the Spence Report was quick to allay criticisms by stating that “Growth is not an end in itself . . . growth is a necessary, if not sufficient, condition for broader development, enlarging the scope for individuals to be productive and creative” (Commission on Growth and Development 2008: 1). The Report also admitted that there were new global challenges that would make it more difficult for these success stories to be repeated in the future, such as global warming and climate change, and global governance.

For Thailand, there are other problems and challenges, notably:

1. The lack of balance between urban and rural development resulting in worsening the uneven distribution of income.
2. Worsening environmental conditions resulting directly from high growth.
3. Worsening social and moral values during the growth process resulting in a higher number of crimes, drug abuse, consumerism, and corruption.

Because of these problems and challenges, we are not able to take great satisfaction from the success we have achieved in high growth as mentioned in the Spence Report. Instead we need to find a path towards sustainable development which will alleviate these enormous problems and challenges.

In 1997 we were further shaken out of our complacency by the economic crisis which hit Thailand and then spread to other parts of Asia. The Thai economy plummeted and Thai people suffered from the same consequences of International Monetary Fund intervention that many European countries are facing today. At this stage His Majesty King Bhumibol Adulyadej gave the Thai people the Sufficiency Economy Philosophy message which contained the principles and guidelines that steered Thailand out of the crisis. Thais quickly embraced the philosophy because they saw it as a way to avoid a repeat of the crisis.

The King's Message: Sufficiency Economy Philosophy

Sufficiency Means Moderation, Reasonableness and Resilience to Rapid Changes

Indeed the Sufficiency Economy Philosophy, or SEP, points the way toward a more resilient and sustainable economy, which is better able to meet the challenges arising from globalization and other changes. *SEP views an ethical foundation as vital to an economic system if the latter is to be sustainable.* Such a foundation must be rooted in the values held by a majority of the people. As a result it will foster human development both successfully and sustainably.

What is special about SEP in the sustainable development context? The SEP approach goes beyond most development thinking by linking the search for human-centred and sustainable development with the cultivation of people-oriented values, a people-oriented mindset, and a people-oriented attitude. Indeed many of us in Thailand have been working on applying the guidelines of His Majesty's Sufficiency Economy Philosophy to our development efforts for at least a decade.

When I wrote on this subject in 2010 (Chirayu 2010), the Secretary General of the United Nations Conference on Trade and Development kindly contributed an explanatory foreword to the book. It said:

The recent crisis has also demonstrated that excessive reliance on the financial sector, where unlimited greed and risk taking is the norm, can lead to cyclical crisis and extreme imbalances.

In correcting the imbalances, therefore, serious rethinking is needed on the correct equilibrium between the role of the State and the market and also how to reset the "moral compass" that has been lost with the Washington Consensus. Equally important is how to reorient global economic growth so that it is inclusive and serves the interests of all peoples, while, at the same time, avoiding environmental destruction and the unsustainable use of the world's resources. The Sufficiency Economy framework can serve as an alternative development path; in particular for developing countries that are still rural based and with limited knowledge and the technologies needed for sustainable use of land, water and other resources (Supachai 2010).

I believe this line of thinking contains important messages for all those engaged in public administration. For top-level national planners and policy makers, the message is that they should pay less emphasis on short-term growth and focus more on sufficiency thinking and long-term sustainable development within the context of global changes and global limitations.

In considering fiscal retrenchment, please look at Greece today, as well as Italy, Spain and Portugal. Why are these countries facing such difficulties? Mostly, I think, because their national debt burden is such a high percentage of their gross domestic product (GDP) (Greece's public debt reached about 120 percent of GDP in 2011). I am in complete agreement with ERORA's own guideline for the first conference sub-theme: "Public spending has been increasing in response to many forces... Increasing economic inequality tends to compel governments to increase generous social programs for social sectors that fall behind . . . Once public expenditure has risen, the trend is very difficult to reverse"

(EROPA 2012: 5).² It is surely better to retrench than to become bankrupt. Given the uncertainties and instabilities of global changes, it would seem prudent for us to prioritize and retrench and accumulate resources to meet foreseen or unforeseen problems in the future.

There should also be serious rethinking about the role of the state. The government in many countries has been responding to increasing expectations from the public to do everything, whereas the right thinking should be that the government must be selective and prioritize on its own role. How can the government maintain fiscal discipline if it does not limit and prioritize its role?

It is appropriate to consider the extreme case of Zimbabwe. Dr. Veerathai Santipraphob, a prominent Thai economist, who worked for the International Monetary Fund 19 years ago, was assigned to be the country economist for Zimbabwe, the former Rhodesia. He remembers that Rhodesia was a star performer in Africa, a surplus-food country which was the second-largest exporter of tobacco in the world and which had enormous potential for tourism with such attractions as Victoria Falls (Veerathai 2008). Within 14 short years the economy crumbled due to economic mismanagement. The rate of exchange in 1990 was 8 Zimbabwe dollars to 1 US dollar; in 2005 the black-market rate was 250,000:1. By then the inflation rate was 100,000 percent per annum while the unemployment rate was 80 percent. Severe shortages existed for food, petrol, and other necessary goods and services.

There were neither external wars nor civil war, only economic mismanagement. Starting with deficit budgets, the problem worsened with populist policies led by agricultural subsidies. This was followed by greater budget deficits financed by printing more and more money until there was no confidence left in the financial and monetary authorities at all. It would be incredible that this could ever happen in our economies, and yet this real story can help us to be more resolute in our discussion of financial retrenchment and stop this terrible possibility right at the start by clearly defining and prioritizing the role of the state.

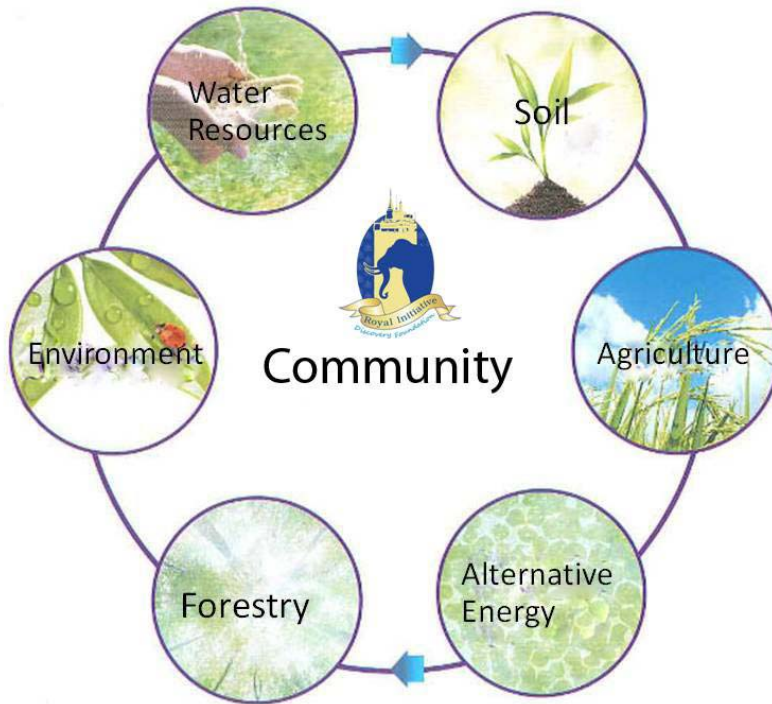
While we must carefully maintain fiscal discipline and think again about the role of the state, we must at the same time be innovative in delivering public services in such a way as to alleviate the problems and challenges mentioned above, especially the problems of urban and rural disparities, of the environment, and of the decline in moral values. We have been innovative in Thailand in moving in this direction over the last few years.

The Royal Initiative Discovery Foundation

Working on the application of the SEP within the last decade, we have found that we can apply the philosophy to all levels – national, community, and individual. The level which should receive the most attention is the community.

The area-based model of community development involves a Thai national foundation, the Royal Initiative Discovery Foundation, which has been recognized and

approved by the government and has been operating within the last few years in a rural area in the north of Thailand. The model contains the following major elements:



- The central and prerequisite condition is that the people in the local community must have the desire and ability to determine their own sustainable development with their own appropriate balance of economic, societal, environmental, and cultural objectives. This is in contrast to the previous development process in which the community haphazardly responded to the trickling down effect of national and top-down growth objectives.
- The process starts with the Foundation staff and the community leaders agreeing to apply the knowledge of Sufficiency Economy principles together with the accumulated experiences of Royal rural study centres to the village. Added to this knowledge are local wisdom and other relevant knowledge accumulated from the world as well. The key here is the right use of knowledge rather than the acquisition of big budgets.
- Development planning will concentrate on six dimensions, namely: water, soil, agriculture, environment, alternative energy, and reforestation.

- After the considerable process of surveys and discussions on problems, needs, and aspirations of the community has been completed, the Foundation people will try to establish the coordinated commitment of all the government agencies according to the development plan. This is in contrast to the former approach whereby each government agency had a very strong tendency to give top-down uncoordinated development directions and instructions.

After two years of constant assessments of results—namely, expansion of income and debt reductions, and even with some unexpected natural calamities such as flooding—development has been implemented to the satisfaction of the local communities. At the same time the Foundation, with its associated Royal Initiative Discovery Institute, has expanded its activities and recently announced extending this model to expand the development process in other areas of the country. It seems that many community organizations are quite satisfied and are pressuring it to expand its role. However it wants to be cautious about its own capacity to contribute, and to expand the network to bring in not only government agencies but also private-sector and nongovernmental organizations to strengthen the scope and sustainability of the development process.

We hope we will soon have the opportunity to report on and compare experiences with other public administration experts about this kind of rural development model both in Thailand and elsewhere. There need not be one model, but we should be able to compare the results among many models.

During the past 30 years or so, His Majesty the King of Thailand has been cautioning against unbalanced rapid economic growth that leaves large groups of the population behind in the process of development. Today most of us in different countries seem to be still trying to find the answer to this problem. The present crisis in the leading economies of the world in Europe and America serves other warnings about the need to rethink the issues of growth and development. I would like to think that an awareness of the principles as well as the practical experiences that come from His Majesty the King's numerous projects³ to suit each locality and each circumstance will help in this process.

Notes

¹Adapted from Dr. Chirayu's speech welcoming delegates to the 23rd General Assembly and Conference of the Eastern Regional Organization for Public Administration (EROPA), Bangkok, Thailand, 20-23 February 2012.

²In the next few paragraphs, I focus on the areas of concentration of the conference sub-themes.

³ Several of these projects are described in Chirayu 2010 as illustrations of the Thai monarch's important personal contribution to the theory and practice of development administration.

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Mounting Challenges, Declining Resources and Rising Expectations in the Asia and Pacific Region ¹

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Abstract

The principal agenda of the EROPA 2011 conference was Challenges, Opportunities and Innovation in Public Administration in the Next Decade, and there were three sub-themes: 1) fiscal retrenchment: challenges, opportunities, and innovation in public administration; 2) the role of the state in managing new challenges, opportunities, and innovation; and 3) innovations in public service delivery. The major agendas and the three sub-themes are all highly germane to current conditions in the Asia and Pacific region. In this part of the world, challenges to governments abound. Some countries are facing political issues, while others must attend to economic problems. Against such backdrops, this article first describes a number of challenges which various governments in Asia are currently confronted with. It then delineates opportunities and innovations which may help alleviate impediments to good government action in the region.

Mounting Challenges to Government in the EROPA Region

Governments in the EROPA region face at least three different challenges. First, many states must meet a number of political problems; in fact some are hard pressed to prove their legitimacy. Second, rapid economic transformation has quite frequently produced other critical challenges for governments. And third, governments in the region share with many others the problem that their citizens do not trust them.

The Challenge of Legitimacy

As part of the problem of having to prove legitimacy, some governments in the region are required to consolidate democracy and entrench a good governance framework. Myanmar represents one of the examples. The country had for so long been isolated from the rest of the world. Due to rising international pressure and the domestic social impasse, however, the military government has finally lifted the protracted autocratic rule. The junta has at long last opened the door for the leading opponent, Aung San Suu Kyi, to partake in the country's parliamentary politics.

Although different in degree, other countries are likewise required to deal with improving the quality of "governing". A comparative survey of democracy, *The Democracy Index* (Economist Intelligence Unit 2011), measures this issue by checking 60 different criteria in a sum of 167 countries. The result indicates that, as far as the Asia-Pacific region is concerned, the average democracy index for the entire area stands at 5.51 out of a total

score of ten. The region is ranked fourth out of seven in the world following Northern America (8.59), Western Europe (8.40), and the Latin American and Caribbean countries (6.35). Of various states in the area, New Zealand (5th), Australia (6th), Japan (21st), and Korea (22nd) are classified as the countries with full democracy. These are followed by India (39th), Thailand (58th), Indonesia (60th), Malaysia (71st), and the Philippines (75th), all of whom are grouped in the sub-category of flawed democracy. Nepal, China, and Vietnam come at the lower end of the democracy rating. They are designated in the sub-category of authoritarian regime.

Although *The Democracy Index* is not an accurate and exact directory of democracy, it may nonetheless point to a relative quality of government in the Asia and Pacific terrain. Those which are labeled as flawed democracy or authoritarian regime especially seem to face major political problems in the years ahead, and they will be required to initiate a variety of measures to alleviate those problems.

The Challenge of Economic Transformation

The states in the region are also confronted with major economic challenges. Countries in Asia have experienced rapid economic growth. Japan expanded in the 1960s, while Korea took off in the 1970s. China and India followed suit during the 1980s and 1990s. Lately, the economies of Thailand, Indonesia, and Vietnam have likewise been fast growing. It is expected that Laos and Cambodia will soon follow. Several statistical indices confirm the changing economic outlook of the region. During the 1970s, the agrarian sector took 35 percent of the total industrial structure in Asia, while the manufacturing sector accounted for only 29 percent. By the year 2000 farming was reduced to 16 percent, while the manufacturing and service sectors increased to 32 percent and 36 percent, respectively. In addition, urbanization has similarly become conspicuous in the area. The total urban population in this part of the world increased from an average of 19 percent of the country's total population in the early 1970s to an average of 37 percent by the beginning of the new century (Suzuki & Asanuma 2008: 2).²

This rapid economic transformation has quite frequently produced several critical challenges to governments. A growing income disparity is one of them. In some of the Asian states, income inequality becomes visible between the urban and the rural populace. Poverty has mainly developed extensively in the agrarian sector. In Bangladesh, rural poverty reached 55.2 percent in 2007; in the meantime, the urban rate remained at 29.4 percent. The ratio is relatively similar in the Philippines where rural poverty stood at 50.7 percent, while the urban poor stayed at 21.5 percent. In this state, the problem has been the constant migration of rural residents to the Manila metropolitan region. An increasing number of underprivileged abandon the rural area and move to the congested principal city. This has made the overall poverty rate in the Philippines quite considerable at 36.8 percent, the highest among the Asian states in 2007 (Suzuki & Asanuma 2008: 4).

Even among developed countries, a number of economic concerns have lately been exposed. In Japan, during the five-year period from 2001 to 2006, deregulation became a major national issue. The conservative Koizumi administration tried to reduce government

regulation so as to reinvigorate the country's sluggish economy. Koizumi's deregulation impacted private firms more than any others; previously, Japanese companies had been essentially required to operate using only permanent staff, and temporary employees remained exceptions. Under the traditional Japanese circumstances, this established business practice tended to be expensive because companies had to provide at least a half of the social security and medical coverage costs of their permanent employees, in addition to other fringe benefits. For better or worse, Japan's business style substantially changed due to government deregulation. The new format allowed business to hire part-timers and short-term staff, in lieu of a permanent workforce. The new measure produced several untoward effects on the total outlook of the country's labour force. In 1995 permanent staff numbered 79.7 percent of the total, while the part-time and temporary employees stayed at 20.3 percent. By 2011 the ratio became 65.6 percent for the permanent and 34.4 percent for the short-time workers. This rise of temporary staff in the private sector has resulted in the increase of homeless populations and government-assisted families. The number of families receiving public assistance increased from 750,000 households in 2000 to 1,270,000 in 2009. The total size of the needy population requiring social welfare assistance is expected to exceed the two-million mark by the end of 2012 (Soumu Sho, Tokei Kyoku 2011: 1).

The Challenge of Winning Trust in Government

Governments will work best when electorates, taxpayers, and the general public show faith in them. Public trust in government is the fundamental axiom of democracy, which is considered to be based on the faith-trust interface between government leaders and ordinary public. Rousseau, Locke, and a host of other gurus all pointed to the importance of this theorem. Without this critical component, they noted that democracy would fail to function. However, several cross-national surveys frequently disclose that the general public no longer seems to have faith in their government. Instead, they tend to become critical of both government and civil servants.

One such survey is the Asian Barometer Dataset, which has conducted a number of comparative surveys by asking the same questions to residents of various countries in Asia. The results indicate interesting outcomes. Japan is one of the countries in Asia whose residents seem to hold a negative view of their government. In the 2003 survey (East-Asian Barometer 2003), 74.8 percent of the respondents indicated that they did not trust government; likewise 89.4 percent distrusted political parties and 90.4 percent had "no" or "little" faith in public officials. A similar trend is also evident in the Republic of Korea. The survey result disclosed that 73.9 percent had "no" or "little" faith in government, while 84.6 percent mistrusted parliament and 85 percent lost confidence in political parties. Although not as radical as these two countries, Filipinos also tend to reveal weak attachment to the government. In the year 2008 survey (East-Asian Barometer 2008), 58.5 percent reported "no" or "little" trust in government, while 41.5 percent noted their attachment to the national administration. This seems to indicate that more than a half of the Filipino respondents hold a negative view of government. In the Philippines the public seems to mistrust both Congress and political parties—60.3 percent said "no" to Congress and 67.4 percent held an adverse view of parties.

Quite interestingly, a reverse correlation exists between the democracy index and the degree of public trust in government. Those countries which are at the lower end of the democracy list tend to score highly in the public-trust-in-government list. China is one of them, with 94.7 percent demonstrating faith in the central government and 92.7 percent trusting government officials. Vietnam exhibited a similar inclination to score highly in both trust of government and confidence in public officials. How to interpret these contrasting results seems intriguing. Are these twisted outcomes related to the regime in question? Or would the list of questions asked be irrelevant in measuring the exact degree of public trust in government, especially in the socialist states? Several puzzling questions remain yet to be answered.

Opportunities for and Innovations of Government in the Asia-Pacific Region

In the years ahead, the various governments in this part of the world must meet the challenges described above. They must surmount the political and economic issues by availing themselves of opportunities, while they also should come up with innovations that will help overcome the negative view of the public towards government and public officials. Unfortunately, the means available are limited. In any state, financial and human resources are meager. The countries must all therefore utilize scarce resources to full advantage to get desirable results.

In doing this, they are encouraged to initiate in at least two major directions. First, they need to implement programs to reduce government corruption. And second, they must initiate measures to improve the quality of the civil service system.

Attacking Corruption

Corruption alleviation is one of the most important agendas for the various governments in the region. As soon as government corruption is eased, the public trust in government is likely to improve and the good governance outlook will be substantially enhanced.

According to *The 2011 Corruption Perceptions Index* compiled by Transparency International (2011), a number of states in the Asia-Pacific region appear to have been troubled with a high incidence of government corruption. TI is a world-wide index: except for New Zealand (1st), Singapore (5th), Australia (8th), Hong Kong (12th), and perhaps Japan (14th), the rest of the states in the region are generally rated low. The Republic of Korea is ranked 43rd, while Malaysia is ranked at 60th. China (75th), Thailand (80th), India (95th), and Indonesia (100th) are all perceived to be lower than these states. Similarly, the Philippines is graded 129th, while Nepal is 154th of the total 182 countries. These results indicate the urgent need for corruption reduction in many states of the EROPA region.

In combating government corruption, two fundamental strategies should come to the fore: a hard approach and a soft program. The hard approach implies the creation of rules and regulations, in addition to the formation of a special agency or office in charge of corruption control. A number of Asian countries have already prepared anti-corruption

laws and offices. Notably, such city states as Singapore and Hong Kong have a long history of enacting laws and offices against graft and fraud. Likewise, India, Malaysia, and the Philippines have also maintained similar mechanisms to combat wrongdoing in government. For those countries which have not implemented any rule, the World Bank and other international organizations often extend assistance and provide a model program of anti-corruption measures (Quah 2003). The needy countries should avail themselves of these aids and try to augment efforts to control government malfeasance.

The past record indicates that the hard approach alone would fall short of controlling a high incidence of wrongdoing in government; hence, a soft device is also called for. In this effort, the practical key to success lies in the behaviour and determination of government leaders. As long as they themselves remain lenient or cunning, little or nothing will be accomplished in the way of curtailing graft. When a high ranking official is not stern in acting to protect the public coffers, his juniors will imitate the senior and feel free to embezzle official funds for private gain. Government leaders should therefore remain determined to eradicate graft and corruption. They should provide the role model for their followers; otherwise, official misdeeds will hold sway over many aspects of government.

In their attempt to control malfeasance, leaders of government ought to keep four management doctrines in mind. These include legalism, equity, accountability, and transparency. Public administration should be based on the established set of rules and regulations. Officials must be loyal to this legal tradition, and should carry out public services by adhering to the letter of these rules and regulations.

Unfortunately, in some countries, public officials often extend preferential treatment to family members or friends at the expense of ordinary citizens. The rule of law, and not the rule of men, should become the guiding principle of government. In addition, equity must develop to become another critical component of public administration. Governments should provide their various services to the public on a basis that treats all members of the public equally.

In this respect, Japan's local governments would serve as an example. In the aftermath of the earthquake and tsunami disasters on 1 March 2011, local victims in the northern part of Japan formed a long line and waited patiently for hours to receive emergency relief from the government. There was no rioting or disorderly conduct among the victims. One of the compelling reasons for this amazing scene came from the role and function of local governments and their officials. Some of them had lost their families and properties; nevertheless, they put personal tragedies aside. Instead, the officials committed themselves to the welfare of local residents. In the minds of Japanese local officials, the public came first, taking priority over their personal affairs. Additionally, these officials distributed the relief goods equally to the sufferers without favor to any specific groups. They did so according to the rules and regulations. The families and relatives of local government officials were no exceptions. They had also to line up and wait for several hours to receive the supplies. This being the case, the victims knew that, as long as they remained patient and in line, they would eventually receive the aid from local governments. This was the reason that the orderly conduct among the residents was maintained despite the extraordinary circumstances.³

Improving the Health of the Civil Service System

In many countries civil service is not seen as an attractive career. Often, a horde of prospective and talented young persons do not choose to work in the civil service. This is particularly the case in developing economies, where the private sector offers good salaries and benefits. Frequently, the best and brightest thus tend to enter into business, instead of the government.

In view of these unsettling circumstances, civil service reform is required. The restructuring should aim to make government jobs more competitive and attractive than those in the private sector. Additionally, government ought to initiate serious efforts to add an extra psychological value to jobs in the public sector. Officials would thus become proud of working as part of government, and willing to serve for the betterment of the general public. Such an entrenchment of the work ethos for civil servants is of critical importance in improving the value and morale of their work.

A number of issues seems relevant to increase the quality of the civil service system. Especially, the following five R's seem critical:

1. Recruitment

The introduction of an open, fair, and competitive civil service exam is a must. The examination ought to be administered by an independent and specialized board. Nepotism should play no part in this objective examination.

2. Retention

Once successfully recruited, the government should try to keep young and talented staff in the public sector. Job retention is related to two different components: fiscal incentives and psychological satisfaction. In this regard, a development of the political and administrative culture is important. More than monetary compensation, a cultural mechanism should be contrived for civil servants to raise their morale and self-identity. This may take some time; nonetheless, it is of critical importance for the health of government management.

3. Rewards

This refers to job promotion within government. Elevation along the official ladder should follow objective and transparent criteria. Perhaps, staffs should be required to take written exams before they are promoted to other jobs. This would be one of the ways to obliterate nepotism and favoritism in the civil service system.

4. Reeducation

Civil servants should take professional training at regular intervals. For this purpose, the EROPA region ought to erect a region-wide training centre for public officials. Currently, three centres exist in different locations of the area: Tokyo, Seoul, and New

Delhi. Unfortunately, they are not well coordinated. In the future, a system should be developed in which trainees would stay in one of the centres, while teachers would travel from one place to another. Alternatively, the three could be combined to create one expanded institution.

5. Retirement

One of the major incentives for young candidates to become public officials is job security. This dimension should be extended and include post-retirement work. Public officials working for many years in government accumulate a tremendous volume of professional knowledge. This expertise should not be wasted, especially in developing economies. After retirement from the government, many officials move to work in the private sector. The government should perhaps function as a go-between and find a suitable job for retiring officials.

Concluding Remarks

As indicated above, many countries in the EROPA region will have to deal with varieties of challenges. However, opportunities are limited; financial and human resources are scarce and restricted. Under these critical circumstances, one of the best means available for a state to move forward is to become innovative in policy making and implementation as well as in the delivery of various services. Innovation is especially called for to alleviate government corruption and graft. In this effort, the leaders of the country seem to hold the key. They should be wise, honest, and hard-working, remain determined, and have fortitude.

The late Professor Deil Wright of the University of North Carolina once left a highly interesting observation, directed to US state and local administrators but with much wider application. He noted that public administrators should keep three “look’s” in mind.: “do not look up”, “do not look back”, and “look around”. According to this view, no state officials should expect easy subsidy or grant from higher levels of government or from international donors. Likewise, no state officials should maintain and defend old-fashioned and worn-out formats of public management. Instead, they should check neighboring states to see if important policy innovations are taking place. If there are any, they should be evaluated, understood, and, if judged to be beneficial and progressive, imported into their own systems.⁴

These keen observations still hold water and stay germane to this volatile Asia-Pacific region of the world.

Notes

¹ Developed from a plenary address given at the 23rd EROPA General Assembly and Conference, Bangkok, February 2012.

² A difficulty in discussing such statistical indices arises from the fact that many of them apply to the whole of the Asian continent, whereas most of the discussions in and around EROPA relate to the more restricted East Asia region that runs over into the west Pacific. Where I am dealing with the more restricted region, I use the terms East Asia or Asia-Pacific.

³ A drawback, however, exists in the behaviour of Japanese local government officials. Because they adhere to rules and regulations in the conduct of policy management, they would more often not allow any exception. This stays the case even under emergency situations, as in the aftermath of the recent disasters. The victims naturally would criticize local officials for their lack of flexibility and elasticity.

⁴ This was one of the most favorite utterances of the late Professor Wright. In fact there was an additional warning in his original expression, “watch out”. By this, he meant the need of legal defense on the part of officials against a high incidence of law suits targeting local governments. I was first exposed to this expression when the professor came to Meiji University and gave lectures in 2002. He then noted these four warnings to become relevant to Japan’s local management.

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Biosketch

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“New Public Commons” – A Financial Retrenchment Method for Japan¹

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Abstract

Japan's financial position is the worst among the world's major developing countries today, and the fairly new Democratic Party of Japan (DPJ) government formed in September 2009 faces the huge challenge of developing major financial retrenchment strategies. This account by the former mayor of a significant Japanese city reports on the financial crisis and explains the development of the idea and the practice of the “New Public Commons”, an innovative approach designed to make central and local governments financially sustainable.

Introduction

The deterioration of state finances has become a serious problem for many countries throughout the world. The financial crisis of Greece and some other European countries could possibly trigger a world-wide financial breakdown. Under such circumstances, new strategies or methods for financial retrenchment are urgently necessary for countries in Asia as well. This is the foremost issue to be addressed especially for Japan since it faces the worst financial situation among major developed countries.

Examined from both short- and medium-term perspectives, Japan needs to eliminate without delay institutional factors which have been causing its financial deterioration. Specifically the government needs to review its social security costs which are the major items that boost public expenditure. Pension, health, and nursing care systems have to be reexamined and trimmed into more sustainable ones that will not increase benefit payments. Also, tax system reforms need to be implemented, including an increase in the consumption tax rate in order to make up for revenue shortfalls. Needless to say, fiscal reconstruction and economic growth must be pursued simultaneously, for fiscal deficits should naturally be considered in relation to gross domestic product (GDP).

Such basic and inevitable measures to stop the financial deterioration have not yet been adopted by the Japanese government due to the weakness of its political leadership. Instead, the financial deterioration has been accelerated.

In September 2009 a new administration was launched by the Democratic Party of Japan (DPJ) which defeated the long-dominant Liberal Democratic Party and seized power. The new administration has laid out a basic policy for fiscal reconstruction. Though it is still abstract and it is hard to predict whether it will be implemented as planned under the unfavorable situation for the DPJ in the Diet, it is an important policy in both practical

and theoretical terms and deserving of serious notice by other countries facing broadly similar problems.

As for the long-term prospect of Japanese fiscal reconstruction, it is important to downsize the functions and expenditures of government by reviewing the range of fields covered by the government, the relationship between the government and citizens, and the ways of financing public works. Seriously concerned to reform the relationships between government and society so as to bring about the retrenchment of public expenditures, the Japanese government has been promoting a new concept called New Public Commons to be discussed later in this article.

Fiscal Reconstruction Efforts in Japan

Japan's Financial Situation

Japan's financial situation is the worst of the major developed countries. The annual account budget for fiscal year (FY) 2011 amounts to 92 trillion yen, of which 70 percent is accounted for by social security costs, national bonds, and grants from the local allocation tax. Tax revenues cover a mere 40 percent of the total revenues, while about 50 percent of government revenues depend on public bonds. Japan has been suffering from continuous financial deficits over many years, with expenditures surpassing tax revenues. The debts of the central government are expected to reach 66.8 billion yen by the end of FY 2011, and the long-term debts of the central and local governments are expected to reach up to 892 trillion yen.

An international comparison of the government's fiscal balance as a percentage of GDP helps explain this situation. While most major developed countries improved their fiscal balance in the latter half of the 90s, Japan continued to suffer from huge deficits. In this decade Japanese public finances showed improvement at one stage, but again slipped down, hit by the world-wide financial crisis of 2008 onwards. The international comparison of government debt in relation to GDP shows that Japan's situation got rapidly worse in the latter half of the 90s and then reached its worst level, while most of the major developed countries achieved sound public finances.

Japan's fiscal deterioration stems from the continuous rise of government expenditures due to measures to stimulate the economy, such as public works projects designed to cope with recessions, and increasing social security expenses implemented to address an aging society. At the same time, Japan's revenues keep declining due to the sluggish economy and because of tax cuts brought in to stimulate the economy.

Fiscal Management Strategy 2010

The DPJ-led administration formulated a fiscal management strategy including a medium-term fiscal framework in June 2010, to demonstrate its principles for fiscal reconstruction. The strategy lays out the target of fiscal consolidation, which is to reduce the primary

balance deficit in relation to GDP to half of the 2010 level and turn it into a surplus by FY 2020 (Cabinet 2010a). It also sets out the basic rules on fiscal management as indicated in Appendix 1.

Comprehensive Reform of Social Security and Tax Systems

The DPJ-led administration acknowledges that fiscal reconstruction cannot be achieved unless reforms are made integrally from both aspects of expenditure and revenue: the social security system which is the main factor in rising expenditures, and the tax system which causes revenue shortfalls. For that reason, the headquarters for social security reform was set up in October 2010 by the government and the ruling parties. In December of the same year, the cabinet decided on a policy for the promotion of social security reform (Cabinet 2010b). The decision stated that the government should set out a clear and substantial reform plan for the social security system. This would stabilize and strengthen it, and also identify the necessary financial resources to achieve that aim. In addition, the government should work out the tax system reform needed to achieve fiscal consolidation by securing the necessary financial resources. This decision required the government to come up with a definite plan and time schedule by mid-2011, and then implement the plan based on the consensus of the people.

Actually, in June 2011, a definite plan for the comprehensive reform of social security and tax was formulated by the headquarters for social security and reform, and submitted to the Cabinet (Cabinet 2011). Appendix 2 contains a summary of the plan, with important points that should be noted regarding fiscal reconstruction according to the above policies listed in Appendix 3.

Fiscal Retrenchment in Local Governments – My Experience as Mayor of Hamamatsu City

In Japan's basic strategies for fiscal reconstruction, drastic strategic reforms of institutions and systems are indispensable. However, it is also important that central and local governments continue making efforts to cut down on the costs of each project. The commentary that follows about the fiscal retrenchment efforts made by local governments in Japan is drawn from my personal experience gained while serving as mayor of Hamamatsu City from 1999 to 2007.

Fiscal Management in Light of the Mid-term Fiscal Plan

In order to reduce public spending, workable plans must be made and steadily put into action to restore sound finances. In FY 1999 Hamamatsu City formulated a 10-year medium-term financial plan (FY 2000 to FY 2009) in order to realize sustainable financial management over the medium- to long- term. The plan aimed to bring the debt service ratio down to 15 percent or below and also to reduce the city's outstanding debt for its general account (219.2 billion yen in FY 1999) to 200 billion yen or below by the end of FY 2004, which

was the halfway point of the planned term. Based on this plan, I worked on reducing the city’s outstanding debt by holding down borrowings through the promotion of administrative and financial reforms and reviewing investment-related expenditures, and also by paying off bonds early.

As a result, we succeeded in keeping the debt service ratio below 15 percent from FY 2000 onwards and also in reducing the general account outstanding debt to 196.5 billion yen at the end of FY 2004 (excluding extraordinary financial countermeasure bonds).

Introduction of Private-sector Methods into Public Accounting

The next approach we took was the reform of the accounting system. Public accounting should be disclosed accurately and transparently, otherwise it can allow local governments to conceal their worsening fiscal condition and thus hinder sound financial management. However, in Japan, local governments are required by law to use a cash basis single-entry accounting system instead of an accrual double-entry accounting system which is used by private corporations. Because of this, it has been a challenge for local governments to find a way to incorporate the essence of a corporate accounting system into their public accounting system without going against the principle of the law. In the case of Hamamatsu, we worked on (i) improvement of financial statements, including balance sheets to be disclosed to the public, (ii) introduction of new financial indicators to analyze financial conditions from stocks and flows, and (iii) introduction of separate balance sheets categorized by projects and facilities for thorough cost management.

These approaches taken by Hamamatsu City went a step beyond central government policy. In June 2007 central government enacted the law relating to the financial soundness of local governments in which those new financial indicators taken into account by Hamamatsu City were adopted, such as the real debt service ratio (the ratio of redemption costs of the principle and interest on local government loans, which the general account, etc. of the local government bears in relation to the total of the standard financial scale) and the future burden ratio (the ratio of substantial debts which a local government bears for the future to the total of the standard financial scale), etc.

Administrative and Financial Reform Efforts

In order to reduce public spending, local governments must solve each problem they face. For that reason, Hamamatsu City formulated the Hamamatsu City public management plan in February 2001 and implemented a “delivery of service plan fulfilling public needs”, “the promotion of town planning in cooperation with the citizens”, and “the establishment of an efficient public management system” (Hamamatsu City 2001). The main areas the city focused on were as follows:

- a. Efficient use of public facilities
- b. Optimizing the size of public elementary schools
- c. Changing city manager’s awareness and implementing human resource development

- d. Introduction of private sector dynamism
- e. Improvement of the soundness of public enterprises, etc.
- f. Rationalization of personnel management
- g. Review of salaries
- h. Securing sound financial management
- i. Streamlining the organization
- j. Rationalization of subsidies
- k. Improving the soundness of affiliated organizations.

The plan saved the city up to 18.8 billion yen in costs for the succeeding five years.

The administrative and financial reforms of Hamamatsu City follow the same direction as recent global trends in New Public Management (NPM). In Japan, the NPM approach was first recognized by local governments in the 90s as part of their administrative reforms, and it later spread to the central government. During this transition, a new concept emerged among government officials, which came to be called the New Public Commons. Quite apart from the NPM connection, I believe this represents an important innovation that should be of interest in many countries.

A New Method for Fiscal Retrenchment: New Public Commons

What is New Public Commons?

In Japan the new DPJ-led administration turned the NPM idea into a New Public Commons, which is not just an administrative tool but also a fundamental philosophy of administration dealing with the relationship between society and government.

Prime Minister Hatoyama Yukio first announced the idea of the New Public Commons as a future vision of Japan in his policy speech at the Diet's ordinary session in January 2010. His speech is summarized as follows:

Today, citizens and non-profit organizations are actively striving to resolve everyday issues like those relating to education, child-rearing, community-building, nursing care and social welfare... Supporting and being of service to people is itself a source of joy and gives purpose in life. We consider the power of people in helping each other as the "new public commons", and we intend to harness this power to build a humane society of self-support and co-existence, to revive the bonds within communities and to slim down the bloated bureaucracy (Hatoyama 2010).

The New Public Commons has also been incorporated into fiscal management. According to the fiscal management strategy adopted by the Cabinet in June 2010, if public services are provided by citizens, private corporations, and NPOs (non-profit organizations) under the concept of the New Public Commons, this can improve the people's happiness and fulfillment and lead to the reduction of public expenditures.

Furthermore, the New Public Commons has been connected to a growth strategy. Also adopted by the Cabinet in the same month, this new growth strategy explains that

the interpersonal relations within a family and society play an important role in achieving personal satisfaction and happiness along with economic factors such as income, and calls for the rebuilding of a society where diverse bodies, including citizens, corporations, and NPOs, can participate in delivering public services under the New Public Commons.

Prime Minister Kan Naoto, who succeeded Hatoyama Yukio, also took a stand in support of the promotion of the New Public Commons, and oftentimes reiterated it in his speeches at the Diet sessions. On the other hand the succeeding prime minister, Noda Yoshihiko, did not mention the New Public Commons in his first policy speech at the Diet session of September 2011. Noda is rather conservative, compared to Hatoyama who advocated *Yu-ai*, that is, fraternal love, as his political philosophy, and to Kan who was a grassroots activist. Though it is not clear what approaches Noda is going to take with this new concept, the New Public Commons is certainly a long-term theme proposed by the DPJ-led administration. Therefore, the administration’s basic stance is expected to remain the same.²

The DPJ-led Administration’s Efforts Towards the New Public Commons

The DJP administration has taken several important steps to promote the New Public Commons. First, the New Public Commons Roundtable was established in response to Prime Minister Hatoyama’s speech at a Diet session. It consists of academics, corporations, NPOs, and other experts, and aims at discussing the future direction of Japan and the systems and policies required to pursue this direction, as well as widely spreading the concept and prospect of New Public Commons to citizens, businesses, and the administration.

In June 2010, the New Public Commons Roundtable presented a *Declaration of the New Public Commons* (New Public Commons Roundtable 2010), which is set out as shown in Appendix 4. Then, in October 2010, after Hatoyama resigned and Kan took over the administration, the Council for the Promotion of the New Public Commons was established. Like the Roundtable, the Council consists of academics, corporations, NPOs, and other stakeholders, many of whom were members of the Roundtable. The Council aims to provide a venue where various stakeholders can discuss the promotion of the New Public Commons, enabling not only public sector organizations but also citizens, NPOs, and private corporations to actively fund or deliver public services and work together in similar fields. In November 2010, the council submitted a number of proposals to the government (Council for the Promotion of the New Public Commons 2010) as indicated in Appendix 5.

Not many concrete programs have been put forward as part of the New Public Commons policies. Most important of those that have been are the introduction of a new donation relief tax system and the revision of the NPO Law responding to the proposals of the Promotion Council mentioned above, as indicated in Appendix 6.

Conclusion

In order to solve Japan's fiscal problems, a comprehensive reform of social security and tax must be carried out under strong political leadership. It is also necessary to take more fundamental measures, such as reviewing the relationships between society and government, in order to pursue the fiscal retrenchment on a long-term basis. The New Public Commons, which I have explained as a method for fiscal retrenchment, still has a lot to be embodied in it, but I believe that, if the central and local governments keep working on concrete measures based on this concept, it can be developed into a valuable means of making central government and local governments financially sustainable.

Notes

¹ This is an edited version of a paper given in the Asian Leadership Forum at the 23rd EROPA General Assembly and Conference, Bangkok, February 2012.

² Remarkably, Japan has had six prime ministers in a period of five years.

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Biosketch

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APPENDICES

Appendix 1. Fiscal Management Basic Rules

Pay-as-you-go rule to secure revenue sources

When policies are newly introduced or expanded which increase expenditures or reduce revenues, stable revenue sources must be secured by permanent reductions in expenditures or revenue-raising measures.

Fiscal deficit reduction rule

The fiscal situation must be steadily improved each year in order to achieve the targets set out for fiscal balance.

Securing revenue sources for structurally costing expenditures

Stable revenue sources must be secured for structurally costing items, such as social security expenses which include pension, health, and nursing care benefits.

Basic principles for reviewing expenditures

Wasteful expenditures must be eliminated in all areas including special accounts and drastic budget reorganization must be implemented.

Stable management of local finance

Fiscal consolidation should be conducted by both central and local governments in mutual cooperation. The central government should not implement any measures that will reduce local autonomy or transfer burdens to local governments.

Appendix 2. The Overall Perspective of Social Security Reform

Changing socioeconomic trends

From the 1960s, when the basic framework of the current social security system was formulated, up to this day, there have been drastic changes in social and economic circumstances, including (i) changes in employment, such as the increase of irregular employment; (ii) the weakening of the safety-net functions of local communities and families; (iii) a conspicuous decrease in the population, especially of people of working age; (iv) a rapid increase in costs associated with social security because of the aging population; (v) difficult economic and financial conditions, such as stagnation of the economy and long-term deflation; and (vi) the weakening of the safety-net functions of corporations.

Basic concept of the reform

- (i) Securing the safety of all generations and enhancing each individual citizen's peace of mind.
- (ii) Establishing a fair and equal social security system assisted by a good balance of self-help, mutual cooperation, and public assistance.

- (iii) Maintaining a balance between benefits and burdens, while keeping the level of the benefits and the burdens comparable to that of the developed countries of the OECD by designing a middle-scale and highly functional social security system.

Basic aspects of the comprehensive reform of social security and tax systems

- (i) Securing (national and local) consumption tax revenues as the main financial resources for the public expenditures required for social security benefits.
- (ii) Gradually increasing (national and local) consumption tax rates to 10 percent by the middle of the second decade of this century.
- (iii) Achieving the target of fiscal consolidation in FY 2015.

Early introduction of the identification number system into the social security and tax systems

Policies for overcoming deflation and the realization of a virtuous cycle between social security and economic growth

- (i) With the efforts of the government and the Bank of Japan, overcoming deflation and putting Japan’s economy on track for full-scale growth.
- (ii) Establishing a dependable social security system and realizing a virtuous cycle between social security and economic growth.

Appendix 3. Important Points of Fiscal Reconstruction in Japan

Interest rate trends of government bonds

- (i) Along with the recent positive fiscal policy, the declining household savings rate caused by the aging of baby boomers and the dropping of capital surplus of the private sector are expected to curb the domestic market’s ability to absorb government bonds, thereby raising interest rates.
- (ii) There is a high possibility that government bond interest rates will be unstable for the next decade (especially from 2012 to 2013 when baby boomers reach the age of 65) if we consider the following three factors: demographic changes (aging population), introduction of international accounting standards (current value accounting), and changes in the low-interest policy (exit strategy).

Review of expenditure and revenue

In the case of Japan, economic growth is a necessary condition but not a sufficient condition for fiscal reconstruction since the biggest factor of the fiscal deficit is the expanding cost of social security which has resulted not from economic factors but from the demographic factor of aging.

Timetable

- (i) At this time, government bond defaults caused by the flight of money from Japan are not likely to occur since government bonds are being absorbed by the domestic market.

- (ii) Japan can choose when and how to reform its fiscal system at its own discretion as it receives a current account surplus and holds assets abroad that exceed those of foreigners in Japan.
- (iii) The formulation of a fiscal consolidation policy and its sound implementation has become an urgent policy issue in Japan. This is because of demographic aging (a long-term and structural factor), the economy and prices (medium-term and cyclical factors), and the disappearance of “low interest bonuses” (reduction of interest payments due to lowering interest rates).

Appendix 4. Declaration of the New Public Commons

The Future of Japan

A society of mutual support and vibrancy, realized through the New Public Commons, can create communities that are rich in social capital and that enjoy a high level of mutual confidence, low social costs, and a great degree of happiness. In such communities, new ideas can emerge from the bonds forged among the people, triggering social innovations that will lead the way to fresh growth.

In order to produce more NPOs and other social enterprises which help improve society by applying business approaches to the resolution of social problems, specific measures need to be taken, including: (i) institutional reforms, such as tax reforms that create incentives for people to donate to charities; (ii) new schemes to support projects by central or local governments with new approaches that differ from conventional subsidies; and (iii) effective financial support and investments to foster social capital.

Creating a “New Public Commons”

- (i) People should acknowledge that they are the ultimate social stakeholders and the central players in building a happier society.
- (ii) Companies should embrace a management philosophy that works to improve the social characteristics of their businesses—for example, by creating mechanisms to return their profits to society.
- (iii) The government should open up services and functions to the “New Public Commons” that it has long monopolized, and increase the options available to the people. In terms of institutional improvements in support of the “New Public Commons”, the government should expedite tax reforms to introduce tax credits for public service projects, adopt the provisional authorization of NPOs to allow tax deductions for donors, review the public support test standards for NPOs, and raise the ceiling on deductible contributions.

Specific Image of the “New Public Commons”

- (i) Invigorating the nonprofit sector and developing social capital, e.g. The Civil Society Initiative Fund. The fund is a financial intermediary organization that has specialized consulting functions and receives various donations and grants from individuals, enterprises, and other entities in order to increase financial resources for NPOs and

- secure the autonomous development and invigoration of the private nonprofit sector. In FY 2009, seven companies and one fund (individual) provided a total of 124.95 million yen to finance 123 programs through the fund.
- (ii) Fostering social and public human resources to undertake the “New Public Commons”, e.g. NPO learning scholarship system. NPOs will accept internships; the government and enterprises will provide scholarships and information; and education institutions will select the young people joining the program and certify credits.
 - (iii) Public service innovation, e.g. Building relationships between public services and the citizen sector under new concepts. The government and the citizen sector are required to conclude a new compact representing their respective duties and attitudes to build their new relationships. In Aichi Prefecture, the prefectural government has compiled an agreement with NPOs. The governor and 657 organizations (as of October 2006) have signed the agreement to create a cooperation rule book.
 - (iv) Utilizing local resources under new concepts, e.g. The development of Obuse town by a stock company. The local chamber of commerce and industry and the administration sector cooperated in collecting 16.5 million yen in investment to found Ala-Obuse Co. Investors provide funds, labour, and ideas, and enjoy the fruits of the company’s business. The company has contributed to building a town with mature lifestyles through business activities, including the management of community spaces and lodging facilities, the publication of sightseeing leaflets and the promotion of local industries.
 - (v) Economic activities based on sympathy and commitment to form social connections, e.g. Palette and Swan Bakery. Palette and Swan Bakery provide disabled people with employment opportunities. Palette sells cookies and Swan sells bread. Based on sympathy and commitment, they have succeeded in creating a venue for the disabled to play roles without damaging their economic activities.
 - (vi) The private sector organizes public support, e.g. A private sector platform to address large-scale disasters. Civic Force, a public interest incorporated association, has called for a private sector-led platform to provide 500-person balloon shelters, transportation of goods, and other services, and to coordinate enterprises and volunteers in the event of large-scale disasters.

Appendix 5. CPNPC Proposals

Early implementation of tax reform for donations

Introduction of tax deductions

Revision of PST (public support test) standards (NPO certification standards)

Thorough information disclosure

New tax systems to be initiated by local governments

Introducing systems which allow local governments to make decisions on NPOs (including the so-called “provisional certification” system and the ex post facto check system)

Principles for budgets regarding the “New Public Commons”

Support for the self-reliance of those who take part in the “New Public Commons”

Promote the participation of various people to take part in the “New Public Commons”

Apply plans and proposals presented by the people who take part in the “New Public Commons”

Appendix 6. Proposals Concerning Donation Relief Tax System and Revision of NPO Law

The New Donation Relief Tax System

Introduction of an income tax deduction system (40 percent of the amount donated over ¥2,000 is deductible.)

Lowering the eligibility requirements for donation tax deductions (New PST standards: ¥3,000 donations from at least 100 persons)

Relaxation of requirements at initial application (An average number of achievements in the last two fiscal years can be used instead of the actual number for each year.)

Enactment date: 30 June 2011.

Revision of NPO Law

Transfer of the accreditation authority for donation tax reductions (from the National Tax Agency to prefectural governments)

Introduction of “provisional certification system” (PST waiver)

Transfer of the NPO accreditation authority (from the Cabinet Office to either a prefectural government or a designated city government where the applying organization resides)

Enactment date: 1 April 2012.

Challenges, Opportunities and Innovations in Public Administration in the Next Decade

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Abstract

This article is developed from the presidential address given at the opening of EROPA 2011, the 23rd General Assembly and Conference of the Eastern Regional Organization for Public Administration held in Bangkok, Thailand in February 2012. It reflects on the main components of the conference theme, "Challenges, Opportunities and Innovations in Public Administration in the Next Decade".

Over the coming decade, the government sector will play an essential role in a broad range of fields, particularly in such times as experienced now. It is during periods such as this when a country faces many challenges that opportunities and innovation must come to the fore. In order to facilitate taking advantage of these challenges and turning them into opportunities, we must enhance the efficiency and effectiveness of public administration. Therefore, consistently with the main EROPA 2011 theme, this article will discuss three major areas: (1) challenges, (2) opportunities, and (3) innovations.

Challenges

In this area, four issues will be discussed: (1) social inequality, (2) natural disaster, (3) competitiveness, and (4) corruption.

Social Inequality

The persistence of social inequalities, especially in the underdeveloped and developing countries, has long been of primary concern and the subject of much discussion. Consequently, this challenge has also been a major concern dominating the paradigms of national development.

To get to the root of this problem, we have to trace the government's approaches in their attempts to solve it in the past. In the past, the government's method of reducing social and economic inequality was by redistributing income received from taxpayers and allocating such money in the form of budget for the deprived and underprivileged. At present, however, this method may be inadequate because gross domestic product (GDP) has not been going to the public purse, resulting in a continuation of the wide disparity between rich and poor.

To obviate these problems, there must be structural and national reforms, including (a) an increase in wages for labour, (b) an increase in the return on investment for agricultural produce, and (c) other mechanisms leading to the creation of equality in society.

Natural Disaster

Nowadays, global warming and climate change are recognized to be major causes of a rise in the number, as well as a wider range, of natural disasters, and also an increase in the intensity of each catastrophic event. These natural disasters have brought about huge loss of life, incalculable damage to property, and prolonged suffering for survivors, all together culminating in a severe impact on the world's economy and society at large. Fortuitously, however, the rising frequency and intensity of disasters in turn have encouraged an awareness among the countries of the world of the challenge collectively facing them.

To solve the problem effectively, there must be close cooperation among all countries at both regional and global levels. At the regional level in Southeast Asia, the ten member countries of the ASEAN community have collaboratively arrived at the ASEAN Agreement on Disaster Management and Emergency Response (AADMER). AADMER functions as a cooperative mechanism to assist countries struck by disasters and to build disaster-resistant communities.

At the global level, disaster prevention must be based firstly on the effective preparation for dealing with disasters which come in all forms: typhoons, earthquakes, tsunamis, forest fires, and so on. Secondly, a thorough safety procedure must be adopted. To elaborate, there must be a preventive system in place ranging from 24/7 monitoring and alert systems to precautionary processes, disaster prevention, relief operations, and recovery efforts. Each individual party responding to any disaster should have its own defined role with respect to its responsibilities and capabilities; however, its actions are to be undertaken as a part of a systematic cooperative and coordinated whole. Last but not least, there must be a holistic approach to safety, with each strategy for disaster preparation and mitigation seeking to ensure successful long-term recovery.

Disaster management and recovery is a continual process and is a matter of the greatest importance to government. Procedures to deal with disasters and their aftermath must comprise disaster preparation and, where possible, prevention, relief operations at the initial stage after the occurrence of an event, and recovery efforts in the aftermath of the disaster so that the victims can rebuild and go on with the rest of their lives.

Competitiveness

Globalization has led to increasingly intense international competition. The stronger, developed countries have tended to gain more advantages than less developed ones. In the next decade, therefore, public administration should aim to develop each country from within, that is, from the micro, grassroots level up to the macro level.

The grassroots—the everyday people in the street and countryside—must be strengthened and made more resilient through a fairer distribution of income in order to reduce social inequality. Education reforms should be constantly undertaken to produce a population which will transform the labour market.

In the business sector, labour has to become more and more skilled to be prepared for the ASEAN Economic Community or AEC in 2015. If there is no coherent labour policy leading to this outcome, jobs for skilled labour will migrate to neighbouring countries. Importantly, the tax system must be restructured as it is a key factor in encouraging investment in education and the economy. To reduce logistical costs and augment efficiencies, infrastructural adjustments and streamlining are also essential to foster growth.

Corruption

Corruption is an exigent predicament for both underdeveloped and developing countries. In many countries, corruption and policy which only serves vested interests prevail. Corruption has taken on new forms and risen in its level of sophistication.

Corruption has mutated into the means of gaining advantages by exploiting applicable laws or government resolutions or resolutions of committees, and so forth. Corruption can even come in the guise of certain law enforcement measures. However, the general public is usually well aware when a certain action is not correct or right or is either ethically or morally highly questionable. That is to say, some corruption may purport to be legal, but in fact it jeopardizes the best interests of the public and goes against basic moral and ethical principles.

Public administration in the next decade thus must raise a greater awareness of these forms and dimensions of corruption. There must also be effective measures in eliminating all forms of corruption in a systematic and comprehensive fashion because, without doubt, corruption leads to greater inequality in society and retards prosperity for all.

Opportunities

In this area, four issues will be discussed: (1) information and communication technology or ICT advancement, (2) corporate social responsibility or CSR, (3) ASEAN Economic Community or AEC, and (4) good governance.

Information and Communication Technology or ICT Advancement

Globalization and the modern world economy have resulted in the often-discussed Global Village. Modern public administration, therefore, should adapt itself to cope with such ongoing changes. Public administrators must also learn about how to utilize ICT and related initiatives to their fullest potential. These practices will eventually lead to efficient administration because the cutting edge of ICT creates numerous opportunities as follows:

Promotion of better life quality. Telecommunication systems stimulate development made possible by the facilitation of communication for all through such inexpensive and widely accessible technology as the mobile phone.

Presence of social equality and fair provision of opportunity. ICT can be distributed and can reach into every corner of the country, even to inaccessible areas, making access to the World Wide Web of information available to all, as well as making remote learning possible.

ICT and curricular activities at school. Computers and their peripherals/accessories, which are becoming increasingly cost-effective, will be deployed more and more in the classroom. These systems will also be a great aid to teachers and school administrators in their management of their students and schools.

ICT and environment. Modern management of diverse natural resources requires ICT. For instance, forest maintenance needs data processing, satellite imagery, weather forecasting, and pollution monitoring.

ICT and national security. Military affairs necessitate the use of ever more sophisticated technology. Modern armaments embody advanced computing, control systems, and precautionary/preventive systems. Modern weapons systems are increasingly controlled by high-speed computer systems.

Production in industries and commercials. Competition in industrial goods production needs an effective approach to produce massive quantities of goods for lower retail prices. To this end, computer technology has played a vital role in boosting business. For example, data processing is being utilized in management processes, day-to-day operations, and customer support.

Corporate Social Responsibility or CSR

Currently, the general public is demanding that the government, industry, and business sectors assume more responsibility for society as a whole. Accordingly, these organizations have to consider their civic duties and responsibilities while also continuing to run their businesses for profit. Not only businesses, but also government agencies which have as their mission to serve the public, must have CSR and the maintenance of high ethical standards as a core ethos.

As government agencies become more sophisticated and skillful in the execution of their public duties, they should also become the leader of the team encouraging CSR. That is, they should serve as the role model as well as the facilitator for all the other players in the economic field to play a greater part in civic responsibilities. The greater the social responsibility undertaken by government agencies, the greater will be the acceptance and cooperation of the private sector.

Regarding CSR roles, the government sector has to encourage the business sector to become completely involved through public-private partnerships. Such partnerships are an ideal combination for dealing with social problems, leading to the betterment of society. A forum or public arena should be provided. There should also be incentives for private companies to undertake carrying the full share of their responsibilities within society.

In addition, the government sector must function as a supporter in both preventive and corrective implementation to alleviate negative social and economic impacts created by entrepreneurship. The government sector must take responsibility for fostering a full

awareness of these, and creating adequate rewards among private companies. Such measures will at length encourage businesses to develop useful social and environmental activities.

The government sector must oversee the conduct of business to ensure each company's strict compliance with the law, regulations, or any other specified criteria. Such close supervision is intended to avert potential damage from being incurred by society as private business conducts its affairs, as well as preventing negative impacts on the environment.

As can clearly be seen, both public administration and business management should work hand-in-hand as they take more responsibility for the society.

ASEAN Economic Community or AEC

The year 2015, when ASEAN becomes a single market, is regarded as a golden opportunity for ASEAN countries in various respects. Concerning the major goal of AEC to become a sole market and production base with free movements of goods, services, investments, capital, and skilled labour among ASEAN countries, all ten countries will be effectively united as one.

When the single market arrives in 2015, trade among ASEAN member countries will become vastly expanded and broadened. Commercial expansion will become a real challenge for entrepreneurs in the expanded market because the larger the market, the fiercer the competition. Simultaneously, the door, now wide open for commerce, will provide greater opportunities.

Furthermore, the regional integration of the ten ASEAN member countries can further the degree of mutual collaboration, thereby strengthening the single community and increasing collective bargaining power.

Good Governance

At present, both public administration and business management have to strictly abide by the principles of good governance. With respect to public administration in particular, it must be strongly stressed that the best benefits for the state and the common good must be sought in a comprehensive and fair manner.

Good governance comprises: (1) legitimacy, (2) participation, (3) transparency, (4) accountability, (5) efficiency and effectiveness, and (6) the rule of law. Public administration needs to undertake immediate reform of its roles and duties, and government agencies must restructure and undertake implementation processes to improve administrative mechanisms. These reforms will allow management of society's resources to become more transparent, straightforward, accountable, efficient, and effective. The reforms will also result in high- quality public service delivery to the people.

In this regard, however, government officials have to undergo changes in their attitudes, values, and ways of working. They have to comply with the public-centred concept, and they have to work with both the civic and private sectors in harmony. Public administration's adherence to the principles and practices of good governance will have the added benefit of building its reputation as a trustworthy partner in the global society.

Innovations

In this area, five issues will be discussed: (1) information and communication technology or ICT, (2) modern public administration system, (3) energy, (4) education, and (5) transport and logistics.

Information and Communication Technology or ICT

ICT enables local and international communication to become more efficient and wide-ranging. ICT innovations utilize data storage and processing for a wide range of specific purposes.

Through careful selection of ICTs, appropriate data for particular requirements will be utilized in a timely and practical manner. Good administration practices will be derived from the continued growth in the use of ICTs and ICT innovations, such as improved quality of data and data storage. They will also further support Knowledge Management (KM) among public administration officials of each country. Such KM exchange and sharing will eventually bring about strength and efficacy to public administration.

Modern Public Administration System

Modern public administration involves reforms in relation to administration and organization systems within a good governance framework. Organizational structure has to be adjusted for fortifying work units to fulfill their duties with flexibility and streamlined flows. Personnel in each organization have to be supported and developed in the domains of knowledge and competency for professional management.

As a consequence of cutting-edge ICT, this idea is aimed at reducing the government sector's role in providing public utilities, as a closely supervised private sector is often more suitable and effective in this role. Current public administration has employed modern management notions, including balanced scorecard (BSC), results-based management (RBM), outsourcing, performance appraisals, and total quality management (TQM). These concepts are believed to help produce more efficient and effective public administration.

Energy

Meeting the growth in energy demands is considered an enormous problem at both regional and global levels. A day of reckoning will arrive when insufficient energy supplies

to meet the growing demand will have an adverse impact on national development. Currently, energy demand has drastically risen due to a wide variety of reasons, such as fluctuations in the global economy and rising populations and levels of prosperity. Public administration, both at the present and in the future, thus becomes more difficult, requiring more in-depth research and development (R&D) pertaining to ICT deployed in resource surveying and energy production.

The ultimate goal is to satisfy customer demand for a stable supply of energy, for example oil, natural gas, coal, or nuclear. Due to rising oil prices, the government sector has to promote the development of ICT applications and innovations in alternative energy sources, for example, natural gas vehicles (NGV), ethanol, biodiesel (biomass), solar, hydrogen, wind, and so on.

Education

In the educational realm, ICT involves the development of curricula and pedagogy using more ICT innovations. ICT is proven to assist in enhancing the efficiency of learning and teaching. With educational ICT, learners study more effectively, feel inspired to learn, and study more efficiently. At present, ICT is widely used especially in online programs, such as E-learning and E-library. Public administration in the coming decade, therefore, should encourage education institutes under its supervision to introduce more ICT applications into their curricula to allow students equal access to information.

Transport and Logistics

The government sector has to resolutely develop transport and logistics systems as they can help to reduce the cost of products and services significantly. Regarding the improvement of transport and logistics systems for greater efficiency and competitiveness, the government sector has to encourage the business sector and entrepreneurs to put their development systems into practice. New systems will thus be implemented in production, trade, transport, and logistical activities leading to reduced costs and raised competitiveness.

Conclusion

Based on the aforementioned challenges, opportunities, and innovations, public administration in the next decade has to carefully consider the vital issues addressed above. A real insight gained from the thorough consideration of these matters will lead to the effective formulation of government policy. Clear policy is undoubtedly the cornerstone to good public administration, which can cope with the ongoing challenges in an ever-changing world, creating opportunities for nations to develop sustainably long into the future.

Biosketch

Professor Dr. Sombat Thamrongthanyawong is currently the President of National Institute of Development Administration (NIDA), and Chairperson of Nakhon Si ThammaratRajabhat University Council as well as Board of Royal Thai Police. President Sombat is also the Distinguished Professor of Public Administration at NIDA and he is highly recognized in Thai society.

NOTES FOR CONTRIBUTORS

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ARPA is a blind peer-reviewed journal, so articles submitted should contain title and author name(s) on a sheet separate from the text. A brief biographical sketch of the contributor, and a short abstract of approximately 100 words, should accompany each article.

They should be submitted double-spaced, preferably on-line, to eropa.secretariat@gmail.com. As to format and style, contributors should take note of and follow the heading, paragraphing, general writing and referencing formats and styles explained in the EROPA website <http://www.eropa.org.ph/publications/arpa.html>.

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EROPA is an Asian organization of States, groups and individuals in the general area of Asia and the Pacific.

The Organization came into being in 1960, in response to a common desire among developing countries to promote regional cooperation in improving knowledge, systems and practice of government administration to help accelerate economic and social development. It was the first organization in the region to be devoted to the development of public administration in order to advance the economic and social development of countries in Asia and the Pacific.

The current State members are listed below. Group members include numerous institutions in the area such as institutes or schools of public administration, universities, government agencies and municipal corporations. The Organization has also admitted individuals to membership whose achievements have been outstanding.

EROPA endeavors to achieve its objectives through regional conferences, seminars, training programmes, special studies, surveys, researches and publications. Its activities are carried out through the EROPA headquarters in Manila, as well as through its three regional centers, namely, the EROPA Local Government Centre in Japan, the EROPA Training Centre in India and the EROPA Development Management Centre in the Republic of Korea.

Activities of EROPA have been held in different parts of the region. Meetings and Seminars have been conducted in Manila, Hong Kong, Tokyo, Bangkok, New Delhi, Seoul, Tehran, Jakarta, Kathmandu, Beijing, Kuala Lumpur, Canberra, Hanoi, Malaysia and Macau.

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