

Papers on the Local Governance System and its Implementation
in Selected Fields in Japan No.14

Evaluation in Local Governments in Japan

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Foreword

The Council of Local Authorities for International Relations (CLAIR) and the National Graduate Institute for Policy Studies (GRIPS) have been working since FY 2005 on a “Project on the overseas dissemination of information on the local governance system of Japan and its operation”. On the basis of the recognition that the dissemination to overseas countries of information on the Japanese local governance system and its operation was insufficient, the objective of this project was defined as the pursuit of comparative studies on local governance by means of compiling in foreign languages materials on the Japanese local governance system and its implementation as well as by accumulating literature and reference materials on local governance in Japan and foreign countries.

In FY 2008, as a project which were begun in FY 2005, we continued to compile “Statistics on Local Governance (Japanese/English)” and to conduct a search for literature and reference materials concerned with local governance in Japan and overseas to be stored in the Institute for Comparative Studies in Local Governance (COSLOG). We have also started a new research to compile a new series on “Historic Development of Japanese Local Governance”.

In addition, continuing from the previous year, we compiled “Up-to-date Documents on Local Autonomy in Japan” and took up 4 themes in FY 2008 on “Papers on the Local Governance System and its Implementation in Selected Fields in Japan”, for which we have already taken up 10 themes in the past years.

This project is to be continued in FY 2009, and we aim to improve the materials so that they will be of real use and benefit to those who are working in the field of local governance.

If you have any comments, suggestions or inquiries regarding our project, please feel free to contact the Council of Local Authorities for International Relations (CLAIR) or the Institute for Comparative Studies in Local Governance (COSLOG) of the National Graduate Institute for Policy Studies (GRIPS).

July 2009

Michihiro Kayama
Chairman of the Board of Directors
Council of Local Authorities for International Relations (CLAIR)
Tatsuo Hatta
President
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Preface

This booklet is one of the results of research activities conducted by the Institute for Comparative Studies in Local Governance (COSLOG) as one part of a project that started in FY 2005 entitled “Project on the overseas dissemination of information on the local governance system of Japan and its operation”, in cooperation with the Council of Local Authorities for International Relations (CLAIR). For the purpose of implementing this project, a “Research committee for the project on the overseas dissemination of information on the local governance system of Japan and its operation” has been set up, and a chief and deputy chiefs with responsibility for the project have been designated from among the members concerned with each research subject.

“Papers on the Local Governance System and its Implementation in Selected Fields in Japan” (FY2008, Volumes 11-14) were written under the responsibility of the following five members. (Title of members as of March 2009)

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This booklet, the fourteenth volume in the series, is about Evaluation in Local Governments in Japan, and was written by Associate Professor Tanaka.

This booklet aims to provide an overview from various angles of the present state of administrative evaluation, which is being tackled by many local governments at the present time. Particular attention is focused on the practical aspects of administrative evaluation, such as the use that is made of the results and the effects of implementation, and considerable efforts have been made to give an interpretation of the present situation.

We will continue to take up new topics, and add to the series.

Finally, I would like to express my appreciation to Associate Professor Tanaka, and also to other members of the research committee for their expert opinions and advice.

July 2009

Hiroshi Ikawa
Chairperson

Research committee for the project on the overseas dissemination of information
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Evaluation in Local Governments in Japan

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Introduction

It is since the late 1990s that evaluation in the public sector in Japan has attracted a large amount of interest. Within Japan, a number of prefectures, led by Mie Prefecture, were the first bodies to make full-scale efforts to tackle the issue of evaluation. Their practice was followed by other prefectures as well as large-scale cities, and at present, evaluation is implemented by a majority of prefectures and cities in Japan. It should also be noted that, inspired by the practice of local governments, central government has now initiated full-scale involvement with evaluation.

Evaluation as carried out by local governments in Japan is generally known as “administrative evaluation” (a literal translation of the Japanese term “Gyousei Hyouka”), and the purpose of this paper is to provide an overview of the present state of “administrative evaluation” in the Japanese local government context. In the sections that follow, I first set out the emergence and development of evaluation in the U.S.A., and then aim to clarify what kind of relationship exists between evaluation as it emerged in the U.S.A. and administrative evaluation as practiced in Japanese local governments. After this overview, I will set out the present state of administrative evaluation in Japan from a number of different perspectives. Included in this account will be an assessment of its effectiveness in Japan and the problems that are faced in this area, as well as an introduction to the latest movements and trends in administrative evaluation.

1. “Evaluation” and “Local Government Administrative Evaluation”

1.1 The emergence and development of evaluation (historical overview)

(1) The emergence and subsequent development of evaluation in the U.S.A.

“Evaluation” in the public sector is an activity conducted by government to get a grip on the effectiveness and other aspects of policy, using investigatory and statistical social science methodologies.

The theory and methodology of evaluation were mainly born and developed in the U.S.A., and we can find examples of evaluation being used in education and in public health and hygiene even before World War I. However, the rapid development of evaluation dates from the 1960s. It was at this time, under the Johnson administration, that the U.S. federal government implemented an enormous policy using the slogan

“War on Poverty”. This led to a heightened demand for evaluation aimed at grasping the effectiveness of the various policies carried out within this broad framework, and this in turn brought about an increase in the development of evaluation as a tool and in research on evaluation.

Evaluation as it developed within this specific context is termed “program evaluation”, and signifies the main current of evaluation in the public sector in the U.S.A. In fact, the term “evaluation” is often used interchangeably with “program evaluation.” Because the main emphasis of “program evaluation” is placed on getting a grasp of policy effectiveness that meets rigorous scientific standards, evaluation results with a high degree of reliability are generally expected. On the other hand, a very high level of specialized skill is required of those responsible for implementing the evaluation. It should also be pointed out that because of the pursuit of very rigorous standards, there is a tendency for evaluation implementation to require considerable time and money. For these reasons, it is not easy for government organizations to implement program evaluation on an everyday basis.

In these circumstances, what has spread widely among states and local governments in the U.S.A. in place of program evaluation is “performance measurement.” This focuses on the effects and the efficiency of policies implemented by the government, and with a view to obtaining a quantitative grasp of these factors, sets what are called “performance indicators.” By measuring these indicators, this method can obtain whatever knowledge about policy implementation is required.

In the same way as in program evaluation, in performance measurement too, the main stress is put on grasping the effects of policy, but performance measurement does not require the same degree of strictness, and its defining characteristic can rather be seen as putting emphasis on in the simplicity and ease of implementation and the timeliness of the delivery of information. Performance measurement originated as a scientific management method that was traditionally developed within public administration studies in the U.S.A.¹, and like program evaluation, its history stretches back over at least several decades. However, the essential nature of performance measurement is to be found in the concept of “measurement”, and “evaluation,” as represented by program evaluation is seen as a rather distant matter.

Looking in rather more detail at the history of performance measurement, it is true that it was implemented several decades ago, but it is only since the 1990s that it has spread in an epoch-making way within the U.S.A. In the background to its dissemination, as will be explained later in this paper, is the spread of so-called “New Public Management” (hereafter NPM). At the present time, the dissemination of

performance measurement is not limited to the U.S.A., but is implemented within administrative institutions all over the world. Moreover, a wide variety of different kinds of institutions, both in central government and local governments, are engaged in implementing it.

In fact, administrative evaluation as implemented by Japanese local governments has performance measurement as its core methodology, and has not applied program evaluation, which is seen as the mainstream of evaluation in the U.S.A. The reality of the current situation in Japan is that despite the nomenclature of administrative “evaluation”, what local governments in fact practice is “measurement”.

It should also be pointed out that while traditionally performance measurement is differentiated from evaluation, in recent years, as a reflection of the actual state of affairs whereby performance measurement is widely implemented throughout the world, the number of specialists who recognize it as one method of evaluation is increasing².

(2) Evaluation and the New Current of Public Management

Within the context of the spread of performance measurement on a worldwide scale, it has come to be implemented by many local governments in Japan too, and it is against this background that we can identify the influence of NPM.

NPM is the generic name for a concept denoting the methodologies and the ideas that achieved the status of common currency in the 1980s, when administrative reform became a prominent issue in Western countries. Its primary characteristic is directed toward “small government” and it aims, by taking forward such factors as deregulation and privatization, to minimize government intervention in society. A further trend that is common to NPM everywhere is that of introducing the principle of competition into the delivery of public services and of applying the management ideas and methods of the private sector to the public sector. If we define the background as the worsening financial situation faced by many countries in the 1980s, and a global current of conservatism, then we can see, against this background, how a current of ideas and a methodology were formed as the conclusion of a chain of events in the form of what was called NPM, and it was these things that spread with great speed throughout the world.

Given NPM’s emphasis on post-facto results in the control and implementation of public services, it is natural for stress to put on post-facto evaluation activities, in particular on performance measurement, by the public sector. With these points in mind, it is clear that the dissemination of NPM inevitably accompanies the dissemination of performance measurement. In Japan too, administrative evaluation

also spread to local governments throughout the country co-incidentally in time with the general dissemination of NPM in the late 1990s. Specifically, as was inevitable given the characteristics of NPM, the kind of administrative evaluation which local governments introduced at this time did not have program evaluation, but rather performance measurement as its core component.

It is convenient here to differentiate performance measurement into what it was before and what it was after NPM. Performance measurement, born and developed in the U.S.A., put its main emphasis, prior to NPM, on “measuring”, as the name implies, the performance of government. It follows from this that the primary focus of performance measurement has been to develop performance indicators in a variety of different fields of government activity, and to concentrate on the measurement of, performance as actually carried out against such indicators³.

On the other hand, when we look at performance measurement after the introduction of NPM, we find not only that performance is “measured”, but that “utilization” of the results is also emphasized. In short, the trend in recent years is for performance measurement to be used, in the context of influence from NPM, as a device to control and manage the delivery of public services.

With that point in mind, performance measurement nowadays has come to be vested with the meaning of “measuring” government performance (especially results), and “utilizing” these results for control and management. Reflecting this kind of change, in the U.S.A., as a concept which expresses the contemporary meaning of performance measurement, the term “Managing for Results”⁴ is frequently used. In the case of Japan, while administrative evaluation in local government is in reality performance measurement, this can be interpreted as meaning that local governments are leaning toward “Managing for Results”.

(3) The concept of evaluation in Japan

In the field of evaluation, the usage of terms and the definition of the concept are always disputable. Because “evaluation” is a fundamentally polysemous word⁵, even in the American Evaluation Society (AEA), which takes the world lead in matters of evaluation, there is no confirmed definition of the concept. Furthermore, the specialist terms used in this field in Japan are ambiguous and not unified, and there is no overall consistency in their use, thus constituting a barrier which prevents people, practitioners in particular, from obtaining an proper understanding of evaluation and related activities.

Terms often used in connection with evaluation in the public sector in Japan are “policy evaluation” and “administrative evaluation”. The former term, “policy

evaluation”, is a term that is frequently used when evaluation activities are implemented by the state (central government). In addition to its use as a generic term for evaluation, cases can also be found in which it is used to denote a specific evaluation method (a method of policy analysis represented by cost-benefit analysis). Furthermore, if we assume a policy structure comprising different levels, from general policy formulation through to formulation of policy measures down to translation into tasks and projects, we can find cases where policy evaluation is used as a general term to describe evaluation that is targeted at the highest level within this structure.

On the other hand, “administrative evaluation”, in addition to designating evaluation implemented by local governments, is also used as a term to indicate generally evaluation carried out by administrative organs, whether these are part of central or of local government.

1-2 The introduction and dissemination of evaluation in Japan

(1) The introduction and dissemination of evaluation in local governments

A full-scale attempt by local governments in Japan to tackle evaluation dates from the late 1990s. The pioneering front runner was Mie Prefecture, which began to use an “task and project evaluation system” in 1996.

Specifically, the evaluation system consisted of a system which targeted all the tasks and projects currently being implemented in Mie Prefecture (3,200 at the time in question), and made a continuous evaluation of each task and project, one by one. Prior to the evaluation system actually being implemented, the method of tackling it, whereby every task or project was systematically re-evaluated, was virtually unknown in Japan. It so happened that just at this time, many local governments were facing a financial crisis, and felt very strongly the need for administrative reform, so in these circumstances, the initiative by Mie Prefecture attracted a great deal of interest as a new administrative reform mechanism.

Following the introduction of the task and project evaluation system by Mie Prefecture, a number of other prefectures and cities (Iwate Prefecture, Yamagata Prefecture, Saitama Prefecture, Sapporo City, Kawasaki City, etc.) introduced similar systems. Hokkaido and Shizuoka Prefecture launched a different kind of evaluation system, but many of the local governments which subsequently implemented an evaluation system chose to use the same system as that adopted by Mie.

From around the end of the 1990s, the number of local governments introducing an administrative evaluation system increased markedly, and the circumstances were such as to merit the description of an “administrative evaluation boom”, which lasted

through 2000. Subsequently too, the number of local governments showing an interest in administrative evaluation continued to increase gradually, and as a result, at the present time, a majority of local governments in prefectures and cities have started to implement such a system. On the other hand, looking at towns and villages, the number tackling administrative evaluation is still limited.

More than 10 years have passed since Mie Prefecture introduced its system of task and project evaluation, and administrative evaluation has spread widely among prefectures and cities. However, various problems have arisen among the local governments that have adopted a system up until now. As a result, although there continues to be an increase in the number of local governments that introduce an administrative evaluation system for the first time, compared to the period that was termed the “boom years for administrative evaluation”, the enthusiasm previously exhibited by local governments has been dampened.

(2) The introduction of evaluation at central government level

In contrast to the above, the issue of evaluation at central government level began to be seriously tackled in 2001. The trigger for getting to grips directly with evaluation at this level was the final report made in 1997 by the Administrative Reform Council, an organ of the Cabinet. Included in the report were a number of important reform proposals linked to the restructuring of central government ministries and agencies that subsequently took place, and one proposal also included in the report concerned the introduction of evaluation at national level.

Up to that point, the introduction of an evaluation system into central government organs had not been formally examined. However, such factors as the promotion in the U.S.A., under the Clinton administration that began in 1993, of reforms that emphasized performance measurement, and the introduction of a task and project evaluation system in Mie Prefecture in 1996 provided the stimulus to consider the introduction of evaluation into central government in Japan.

The result of the proposals made by the Administration Reform Council was that the possibility of introducing an evaluation system at central government level was examined, and a “policy evaluation system” was in fact formally introduced in January 2001 at the same time as the restructuring of central government ministries and agencies. However, at this time, because there was still a need for a system of implementation of evaluation to be put in place in central government organs, and because guidelines on how to tackle policy evaluation had still to be formulated, matters did not progress beyond a preparatory stage. Full-scale evaluation began, in terms of central government organs, after the passing of the Government Policy

Evaluation Act, enforced from April 2002.

Under the newly introduced policy evaluation system, an obligation was placed on all administrative organs of central government to implement policy evaluation (from this point on, evaluation implemented by central government organs under the policy evaluation system is referred to as “policy evaluation”).

Under this policy evaluation system, three kinds of evaluation formulae were recommended, namely project evaluation, performance evaluation, and comprehensive evaluation⁶. Of these, project evaluation takes place prior to a decision on implementing the project concerned, and is carried out to obtain information about the necessity of the project and about the effects relative to the costs (cost versus effect). As it is considered that costs versus effects of projects should be quantitatively estimated, it is reasonable to assume that cost-benefit analysis methods are used.

In implementing performance evaluation, the second evaluation formula, policy objectives are established with the main focus on the results of policy, and, after specific projects have been carried out, an examination is made of the extent to which the policy objectives have been achieved. Obviously, this evaluation formula was established with a view to implementing performance measurement.

Finally, comprehensive evaluation is an evaluation formula that has the objective of clarifying, in a multi-faceted and detailed manner, the results of policies and the current situation. Within the context of comprehensive evaluation, it is possible to choose freely the evaluation methods appropriate to the targets and the objectives of the evaluation, but this evaluation formula is generally understood as having been established with the aim of implementing program evaluation in mind⁷.

A large number of central government ministries and agencies are implementing evaluation in accordance with the three formulae listed above. In fact, in almost all cases, the kind of performance evaluation being implemented is performance measurement. On the other hand, in the case of the other two formulae (project evaluation and comprehensive evaluation), it can be assumed that the implementation methods used were those of cost-benefit analysis and program evaluation respectively, but strict implementation took place only in a limited number of cases, and what was in fact implemented in most was nothing more than a simplified version of cost-benefit analysis or program evaluation. In ways such as these, therefore, in central government ministries and agencies, too, in the same way as in administrative evaluation in local government, the fact that can be seen as the main characteristic is that the most widely practiced, representative method is performance measurement.

(3) The factors promoting the dissemination of evaluation

Unlike central government ministries and agencies, in the case of local governments, the implementation of administrative evaluation was not something that was made obligatory by law. Nevertheless, as a result of the discretion given to each local government, a large number of local governments tackled the issue, and it is in this context that the very close connection with NPM, as referred to above, must be seen.

In Japan in the late 1990s, the financial climate worsened as a result of the decrease in tax revenue due to the collapse of the bubble economy, the decrease in profit from publicly managed projects, and so on. In this situation, many local governments, looking for ways that they could use to re-evaluate existing projects, and to forge a link with the improvement of their finances, conceived great expectations of the new current of thinking known as NPM, and of the device of administrative evaluation, which is endorsed by NPM, and eagerly scrambled to acquire it.

The Ministry of Internal Affairs and Communications (until 2000, the Ministry of Home Affairs) suggested repeatedly to local governments, by means of written communications from the Administrative Vice-Minister, that they should introduce administrative evaluation. On receipt of such suggestions issued by the Ministry of Internal Affairs and Communications (or the Ministry of Home Affairs), many local governments set about incorporating the introduction of administrative evaluation into broad outline of administrative reform plans and the like, with the result that future efforts to tackle administrative evaluation were firmly set on existing, predetermined routes.

It should also be noted that one factor which supported the dissemination of administrative evaluation is “be-at-the-same-level” type of thinking very common in local governments. This way of thinking not only served as a stimulus to energize latecomers among local governments to get to grips with the issues raised by administrative evaluation, but is also linked to the way in which the systems adopted by various local governments exhibited a high degree of mutual similarity.

1.3 Administrative evaluation in local governments

(1) Definition

As will have become clear from the account up to this point, administrative evaluation in Japanese local governments has as its core component performance measurement as developed in the U.S.A. Furthermore, performance measurement is very close to “Managing for Results”, which has been influenced by NPM and has adopted its outward appearance as a control and management tool. It follows from this

that the view has been formed that “administrative evaluation = performance management” or that “administrative evaluation = managing for results”, and in fact the number of researchers who think in this way is by no means small⁸ in Japan.

Be that as it may, although the word “evaluation” is used as part of the term “administrative evaluation”, there is a need to be aware of the points where “program evaluation”, which is considered to be the mainstream of evaluation, has not been applied. The fact is that in local governments in Japan, program evaluation is scarcely implemented anywhere.

However, given that administrative evaluation is one concept included in a wide range of evaluation activities carried out by local governments, then it is also a fact that the simplistic formula “administrative evaluation = performance measurement” involves a degree of inaccuracy. For example, if we look at “time-based re-assessment” (a device for re-evaluating public works projects which has been stalled over a long period) as developed in Hokkaido, or at the “office work project stocktaking table” (a device used for organizational management or evaluation, because it provides a detailed, systematic listing of administrative structures by organization) from Shizuoka Prefecture, we find that both are viewed as evaluation devices, but performance measurement uses methods that are different from these. Moreover, even in the case of local governments which are using performance measurement, they implement evaluation by using a combination of various kinds of qualitative methods other than those presented here.

But the above said, it is an unmistakable fact that many local governments which have introduced administrative evaluation are in fact implementing performance measurement, and that this is at the core of their interpretation of administrative evaluation.

Furthermore, since there is no suitable term to precisely express the Japanese term “gyousei-hyouka” (referred to as “administrative evaluation” in this report) in English, it is recognized that there is a certain degree of rationality in the use of “performance measurement” or “Managing for Results” to grasp the essence of the term.

(2) Public works evaluation and administrative evaluation

Among the different kinds of activities undertaken by local governments, we can identify the evaluation of public works as an activity linked to administrative evaluation. Public works evaluation denotes the evaluation of public works, the implementation of which is being considered by local governments (for example, road building or the construction of public facilities), and examines the necessity and the effectiveness of the planned project prior to implementation. Generally speaking, the

economic value of a public works project is calculated prior to implementation, using the method of cost-benefit analysis, and an examination is then made of whether or not to implement the project, using the results of the analysis as a point of reference.

Public works evaluation had been implemented widely in local governments prior to the dissemination of administrative evaluation, and particularly at prefectural level, it is customary for almost all organizations to implement prior evaluation at the planning stage of a public works project.

It follows that we can classify public works evaluation as one of the evaluation activities carried out by local governments, so there is nothing intrinsically strange about including it in administrative evaluation. However, when we look at what kind of relationship is established by local governments themselves between administrative evaluation on the one hand and public works evaluation on the other, we find that in many cases, the system of administrative evaluation is not included in public works evaluation, but is treated as a separate device. Fundamentally, there is only a very weak awareness in local governments of the need to establish a link between public works evaluation, which has long been implemented, and a newly introduced evaluation activity in the form of performance measurement. However, in the local governments in which system design is implemented within the perspective of existing public works evaluation, then administrative evaluation can be clearly located within public works evaluation.

2. The present state of administrative evaluation in local governments

2.1 The characteristics of introducing and disseminating administrative evaluation

(1) The circumstances of introduction and dissemination

The pattern of the implementation of administrative evaluation in local governments is usually one where a system is constructed and operated in an entire organization as an “administrative evaluation system” which has determined the system characteristics, the procedures and the methods needed to take forward administrative evaluation. Using the term administrative evaluation in this sense, the number of local governments in which it has been introduced and implemented as of October 2007 is as follows: 98% of prefectures (46 bodies), 63% of cities and special wards (511 bodies) and 20% of towns and villages (207 bodies).

Table1: An overview of the introduction of administrative evaluation into local governments in Japan

	Introduction completed						Under examination		Not applicable		Total	
	trial phase		Introduction completed		trial phase							
	Number of bodies	Composition percentage	Number of bodies	Composition percentage	Number of bodies	Composition percentage	Number of bodies	Composition percentage	Number of bodies	Composition percentage	Number of bodies	Composition percentage
Prefectures	46	97.9	46	97.9	0	0	0	0	1	2.1	47	100
Total of cities and special wards	623	77.2	511	63.3	112	13.9	172	21.3	12	1.5	807	100
Ordinance designated cities	17	100	17	100	0	0	0	0	0	0	17	100
Core cities	33	89.2	32	86.5	1	2.7	4	10.8	0	0	37	100
Special case cities	43	97.7	42	95.5	1	2.3	1	2.3	0	0	44	100
City wards (other than the above)	530	74.8	420	59.2	110	15.5	167	23.6	12	1.7	709	100
Towns and villages	329	32.3	207	20.3	122	12.0	561	55.1	128	12.6	1,018	100

(Source) Ministry of Internal Affairs and Communications “The state of implementation of administrative evaluation in local public bodies” (as of Oct. 1, 2007)

(N.) Units of comparison: %.

At prefectural level, with the exception of one Prefecture (it is widely known that Tottori Prefecture is the prefecture concerned), all prefectures are getting to grips with administrative evaluation⁹. Among cities and special wards (a special ward is a special form of local government which is established within Tokyo Metropolis only), 63% have introduced administrative evaluation. In addition to these, 14% have introduced it on a trial basis, and 21% are considering evaluation, so that there is a very high possibility that the dissemination rate will exceed 80% within a few years.

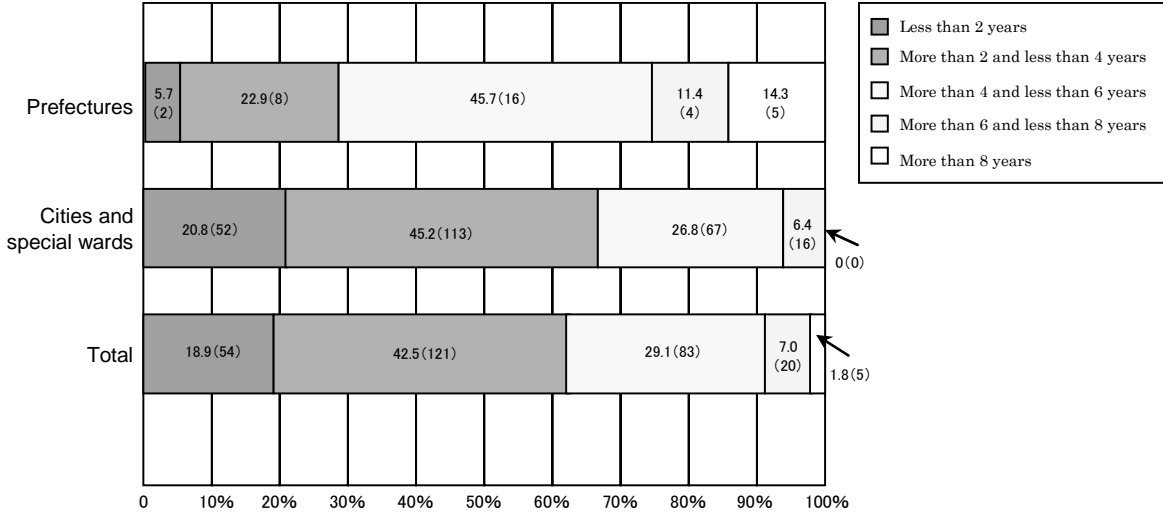
On the other hand, among towns and villages, the dissemination rate remains stuck at around 20%. Towns and villages, due to limitations of human resources and other materials, have not been particularly enthusiastic about getting to grips with administrative evaluation. In addition, the cities, towns and villages that have been involved in the municipal mergers of recent years (called the Great Heisei Consolidation) have postponed the introduction of administrative evaluation until the organizational systems surrounding the merger have settled down. However, at present, things have largely settled down in merged municipalities, and as can be seen from Table 1, nearly 70% of municipal bodies have either introduced administrative evaluation on a trial basis or are considering introducing it, so it seems certain that the number of cities will increase from now on.

Turning to Diagram 1, this shows the results of an investigation into the period of time that elapsed after the introduction of an administrative evaluation system (investigation period: March, 2006)¹⁰. This diagram can be interpreted as showing the duration of the period of implementation of administrative evaluation in the local governments that responded to the survey.

According to this investigation, the implementation period of administrative

evaluation lasted for 4 years or more in a majority of prefectures, and there are examples of cases where it took 8 years or more. On the other hand, the implementation period in the case of cities and special wards was relatively short, with a majority of local governments taking less than 4 years. However, in about 6% of cases, the implementation period was 6 years or more and less than 8 years, so it is fair to say that among cities and special wards too, there is a large variation in the duration of the implementation process.

Diagram1: Implementation of period of administrative evaluation in local governments
 (① in prefectures; ② in cities and special wards) (as of Mar. 2006)



(Source) Tanaka (2008)
 (N.1) The results of a survey implemented in Mar. 2006, targeted at prefectures as well as cities and special wards. Response rate: 36 prefectures (76.6%); 528 cities and special wards (67.2%)
 (N.2) Results only of local governments that responded: “introduction completed” (35 prefectural bodies: 250 cities and special wards)
 (N.3) The figures in brackets () are the number of responding bodies. Among cities and special wards, there were 2 cases of non-response, so the numbers in each of these 2 divisions do not add up to 100%

(2) The objectives of introducing administrative evaluation

The objectives of local governments when they introduce administrative evaluation can be broadly categorized as on the one hand a wish to review and improve tasks and projects, and on the other, an awareness of a need to ensure accountability toward citizens.

Table 2 shows the results of a survey on this point. The majority of bodies surveyed, namely prefectures as well as cities and special wards, selected as their replies to the survey such objectives as; the elimination or reduction of tasks and projects as well as improvements in their effectiveness and efficiency; and the clarification of the state of administrative activities which is linked to accountability vis-à-vis residents and

others. Among prefectures, more than 60% also said that the objective of an administrative evaluation system was to get a grasp of the state of implementation of comprehensive planning. On the other hand, the local governments which said that the objective of such a system was to make changes in the budgetary allocation or personnel deployment within the local administration as a whole amounted to no more than about 20%.

It is clear from the above that the average image of a local government getting to grips with administrative evaluation is one of implementing evaluation targeting tasks and projects (as in the example of Mie Prefecture), and linking the results to a review or improvement of the targeted objectives, and at the same time, informing local citizens of the results to hold itself accountable.

Table 2: Objectives of local governments (① prefectures; ② cities and special wards) in introducing administrative evaluation

Purpose of introduction	Prefectures		Cities and special wards		Total	
	Responses	Percentage	Responses	Percentage	Responses	Percentage
Abolition or reduction of tasks and projects	21	60%	156	62.4%	177	62.1%
Raising the efficiency level of office work projects	26	74.3%	207	82.8%	233	81.8%
Raising the effectiveness level of tasks and projects	29	82.9%	207	82.8%	236	82.8%
Changing budgetary allocation throughout the local government	8	22.9%	62	24.8%	70	24.6%
Changing personnel deployment throughout the local government	3	8.6%	23	9.2%	26	9.1%
Ongoing management of long-term plan (comprehensive plan)	22	62.9%	118	47.2%	140	49.1%
Re-examining the share of responsibilities between the public sector and the private	11	31.4%	79	31.6%	90	31.6%
Clarifying government activities to bodies outside the administration, e.g. residents	31	88.6%	180	72%	211	74%
Other	7	20%	59	23.6%	66	23.2%
Total	35		250		285	

(Source) Tanaka (2008)

(N. 1) The results of a survey implemented in Mar. 2006, targeted at prefectures as well as cities and special wards. Response rate: 36 prefectures (76.6%); 528 cities and special wards (67.2%)

(N. 2) Results only of local governments that responded: “introduction completed” (35 prefectural bodies: 250 cities and special wards)

(N. 3) Shaded items are ones to which 60% or more of bodies responded

(N. 4) Since there were multiple answers, the total percentage of responses for each item (in each row) does not add up to 100%

(3) The characteristics of administrative evaluation

Unlike central government ministries and agencies, in the case of local government administrative evaluation, there are no legal or regulatory conditions which require it to be introduced or, when it is introduced, require a special method or framework to be used. Nevertheless, it is possible to identify a very high degree of similarity between

the forms of administrative evaluation introduced by individual local governments. These points of similarity are listed below.

1. With a view to getting to grips with administrative evaluation on a government-wide basis, it is systematized as an “administrative evaluation system” and the system is operated on an annual basis throughout the local government in a systematic manner. With this goal in mind, in local governments which have introduced an administrative evaluation system, a uniform method of implementation, without regard to special fields or sections, becomes the criterion, and there are hardly any cases where implementation is targeted only at specified fields or sections.

2. Influenced by the example of the pioneering local government of Mie Prefecture, almost all local governments have made “tasks and projects” the target of administrative evaluation. Indeed, administrative evaluation which targets tasks and projects is generally known as “task and project evaluation”.

Looking in greater detail at “tasks and projects”, these denote the most fundamental unit of the work implemented by administrative organizations. This level of work is not something that is the basis of laws and regulations, but something, the definition and content of which is distinctively determined by individual local governments. Prior to the introduction of administrative evaluation, the situation in a not insignificant number of local governments was that “tasks and projects” had no clear existence as a unit, and systematic categorization only came in with the introduction of administrative evaluation.

It is possible to identify a general tendency, at the time when administrative evaluation is implemented, to see tasks and projects as the main target of evaluation, and to evaluate as many of them as possible. The number of tasks and projects depends on the scale of the local government concerned, but in the case of a prefecture, the number can amount to several thousand, and in the case of a municipality, it can range from several hundred to one or two thousand. It is clear that within a government office, the implementation of evaluation may target a very large number of objects (tasks and projects).

Furthermore, recently, as a developed or more advanced form of task and project evaluation, the number of local governments which are combining a number of tasks and projects and adding “policy” or “higher level policy” as evaluation targets is increasing. That said, however, even in local governments of this kind, the general pattern is one of continuing with task and project evaluation as hitherto, and in the sense of seeing the principal objective of administrative evaluation as the improvement of tasks and projects, it is fair to think of getting to grips with this as an

extension of existing task and project evaluation.

3. As has already been indicated, performance measurement has become the central method used in local government administrative evaluation, in that under the influence of NPM, emphasis is put on the evaluation of post-facto results. Specifically, with performance measurement as a basis, the primary perspective of administrative evaluation has become one of setting performance indicators and performance targets for each evaluation object (in many cases, a task or a project), and subsequently carrying out a post-facto examination of whether or not the objectives have been achieved.

It should also be mentioned with reference to performance indicators that we can find input indicators, output indicators, and outcome indicators, and that in recent years, reflecting results orientation, a common characteristic of local governments is the emphasis put on outcome indicators.

4. A further characteristic of administrative evaluation in local governments is that, although performance measurement is at the core, a wide variety of other methods are combined in the context of implementing evaluation. Features that stand out particularly are the combined use of ante-facto evaluation and post-facto evaluation on the one hand, and quantitative and qualitative evaluation on the other (it is worth mentioning here that performance measurement is post-facto, quantitative evaluation).

For example, in many local governments, in formulating the budget for the next fiscal year, the question of whether or not certain tasks and projects are necessary comes under examination. This takes the form of ante-facto evaluation, with qualitative evaluation being used as the main method. With regard also to post-facto evaluation of the usefulness and effectiveness of the tasks and projects concerned, in almost all cases local governments do not rely simply on quantitative information obtained by means of performance measurement, but also use at the same time qualitative evaluation in the form of the subjective judgment of the evaluator.

5. The persons who use administrative evaluation are mainly local government administrative staff. Furthermore, in many cases, the primary persons carrying out the evaluation are the ones directly responsible for the projects being evaluated or their line managers (line manager or department director, etc.). It is therefore reasonable to say that self-evaluation is the basis of administrative evaluation in local governments.

Taking up this particular point, there is some criticism to the effect that this kind of administrative evaluation by local governments is tailored to their own convenience.

But that said, the implementation methods of evaluation described here are not limited to Japan, but are used in many countries that have been influenced by NPM. The fact is that within the framework of NPM, it is expected that the administrative organs concerned with the provision of public services will themselves take responsibility, with a view to ensuring control and management, for implementing evaluation (chiefly performance measurement).

It cannot be denied, however, that there is a problem of credibility vis-à-vis persons who carry out their own evaluation. It is with this point in mind that many local governments have established the process of a second-stage, and then a third-stage evaluation by someone within the administration, or arranging to check the initial results by using a third party organ outside the administrative section which has specialists or outside citizens as its members.

The last characteristic to be mentioned here is the use of an “evaluation sheet (or evaluation template)”. In local governments that are getting to grips with administrative evaluation, what is called an “evaluation sheet” of a commonly applicable type can be found, and this template, varying according to the project to be evaluated, forms the core of the evaluation activity.

Specifically, on the basis of the operational schedule of administrative evaluation, the evaluation sheets are distributed at a set time each year to the persons carrying out the evaluation (in many cases, those responsible for the project(s) to be evaluated)¹¹. On the evaluation sheets are firstly, performance indicators and performance targets, and columns in which the information required by the evaluation is to be inserted. Once the necessary items have been entered on the sheet, the evaluation activities of the person performing the evaluation are almost complete. In cases where a second-stage evaluation and a third-stage evaluation are carried out, the evaluation results are entered in the designated columns by the respective evaluators (persons of a supervisory grade). The completed evaluation sheets are assembled in the administrative evaluation section (in a majority of cases, the policy planning division) of the government establishment concerned, and the results are then used internally, made publicly available to citizens, and so on.

In the ways described here, administrative evaluation as carried out in local governments is centered on the preparation of evaluation sheets. Since virtually all the principal items of evaluation are entered on the sheets, they reflect the core concept of the local government evaluation system. Hence the tendency for great efforts to be put into the design of evaluation sheets is observed when a local government introduces an administrative evaluation system for the first time.

The fact that many local governments adopt evaluation sheets in their administrative evaluation system can be justified in terms of the facilitation of evaluation activities, as well as the standardization of the content and quality of the evaluation. On the other hand, there is also criticism of placing "too much emphasis on evaluation sheets". In particular, it cannot be denied that there is a tendency to think that once evaluation sheets are prepared, the evaluation is finished. Evaluation activities, which should in principle consist of many different kinds of activities at different times, are dwarfed by the preparation of the evaluation sheet

2.2 The operation and the results of administrative evaluation

(1) The introduction process and the system of operation

If we look for triggers or factors directly linked to the decision of local governments to tackle the introduction of administrative evaluation, we can identify as representative examples those cases where administrative evaluation is incorporated into a broad-scale administrative reform plan, suggestions made from a certain section within the local government, and proposals made by a governor or mayor. In particular, the second of these three examples accounts for the majority of cases.

Once a decision has been made on the introduction of administrative evaluation, it is necessary to begin initial preparations, consisting of designing a system, setting up the guidelines and the organizational structure required to operate the system, training the personnel concerned with the evaluation, and so on. It is usually the policy planning division of the local government in question that takes responsibility for this, and in many cases, the same division also takes a leading role immediately after operation of the system has begun. Apart from the policy planning division, there are cases where the finance division and the administrative reform division perform the same kind of role.

When seeking to design an administrative evaluation system, some local governments use the services of external specialists, private-sector think-tanks, or professional consultants. However, there is a tendency for small-scale local governments, due to limitations on their financial resources, to do without the assistance of a specialist, and implement system design with the help only of their own staff.

After the system has been constructed, it is only rarely that there is an immediate shift to full-scale operation of the system, and it is usual for a trial phase of one or two years to be implemented. This period has an important meaning in that it not only enables the evaluation system itself to be improved, but allows the staff members to

get used to this new concept and new methods. Other points that are examined during this trial phase are whether the results of the evaluation should be made public, and if they are, in what way this should be done.

There are almost no examples of the introduction of administrative evaluation being abandoned after the trial phase, and in principle, all local governments move to full-scale implementation of the system. After the system has begun operating, all kinds of practical matters and procedures must be dealt with, including internal communications and adjustments concerned with the gradual implementation of the system, practical explanations to be given to the persons carrying out the evaluation, responses to various kinds of enquiries about implementation, reports and summaries of the results of evaluation, and so on. In order, too, to raise the level of skills and understanding of the system among staff members, continuous study and training by staff members is indispensable, and effort must be put into constantly reappraising and improving the system of evaluation.

As already indicated, the majority of tasks and projects within a local government are subject to administrative evaluation. Since the persons carrying out the evaluation are mainly the persons in charge of the projects to be evaluated, it is inevitable that large numbers are involved in the evaluation process, and that the implementation is carried out systematically throughout the whole of the local government concerned. There are also cases where second-stage and third-stage evaluations are carried out with a view to providing quality assurance, and in such cases, the implementation is carried out either by senior officials (line manager or department director) in the divisions or sections responsible for the tasks to be evaluated, by special organizations within the local government concerned, or by members of a third-party evaluation committee of external professionals.

Thinking in terms of the system created to introduce and operate administrative evaluation, it is fair to say that there is no other comparable system that requires such a degree of comprehensive commitment throughout the entire local government as this system requires. Furthermore, in the policy planning division and other divisions responsible for administrative evaluation, the number of officials directly involved in operating the system of administrative evaluation is generally no more than a limited number, hence the load on the officials in the section concerned is considerable.

Administrative evaluation is implemented throughout the local government concerned at a set time each year. The implementation schedule varies from local government to local government, but the usual pattern is for it to begin in June, when the budgetary figures from the previous year's calculations have all been brought

together, and for it to proceed on the basis of previously arranged stages, and be continued into the autumn, when full-scale budget preparation takes place.

(2) Relationship with pre-existing systems (budgetary, comprehensive planning, etc.)

Administrative evaluation exists as a permanent, continuous fixture within local government establishments. As a system operated within the whole of each local government, it is also relatively new. Because the system was introduced under the influence of NPM, and has the characteristics of having been introduced as a method of administrative reform, it is impossible to ignore the question of how it relates to existing government systems, particularly budgetary systems and comprehensive plans. Looking at this situation from a different angle, one could say that the system of administrative evaluation is characterized by the kind of relationship that it has with budgetary and comprehensive planning.

In the first place, there are a large number of local governments which operate administrative evaluation within a framework of links with the budgetary system. This is inevitable given that in the background to the introduction of administrative evaluation in many cases is the worsening financial situation that has been noticeable since the 1990s.

As a method of linking these two systems, a common procedure is to link the schedule of the budgetary planning process with that of administrative evaluation, and to use the results of the evaluation in the preparation of budget requests made by each division and section, and in the budgetary assessment carried out by the finance division. With particular reference to what happens in individual sections, because the evaluation is carried out by the persons responsible for the tasks to be evaluated or their superior officers, it is a precondition of the evaluation that budget requests are reflected in it. On the other hand, the evaluation results do not have the total credibility required to enable them to be used in the budgetary assessment carried out by the finance division. That said, there are more than just a few local governments which use the results as material to assist their judgment in the context of the budgetary assessment process.

On the other hand, comprehensive planning offers a different picture. Specifically, the core of comprehensive planning is a planning document (called a “comprehensive plan”) in which the local government sets out its long-term objectives in a comprehensive way and indicates the policies to be used to achieve these objectives. Grasping the degree of achievement of long-term objectives in a comprehensive plan is linked to clarifying the results of the policy implementation of the local government from a medium-term and long-term perspective. As already noted, there are local

governments, primarily prefectures, in which the system of administrative evaluation was introduced with the objective of grasping the degree of progress of comprehensive plans, and in these local governments, comprehensive planning and administrative evaluation are operated in a unified manner. In such cases, whether or not the objectives of comprehensive plans have been achieved forms the main focal point of administrative evaluation.

Even in local governments in which grasping the degree of progress of comprehensive plans is not made the goal of administrative evaluation, there are more than just a few local governments in which the policy systems that are shown in comprehensive plans, such as policies, high-level policies, tasks and projects, and so on, are made the objects of administrative evaluation.

Looking at recent movements, the number of local governments that are aiming to establish connections between administrative evaluation and personnel appraisal is increasing. It can be hypothesized that as a method of establishing a connection between administrative evaluation and personnel appraisal, the degree to which objectives have been achieved in such areas as tasks and projects is reflected in the appraisal of the person responsible (for office work projects, etc.).

At central government level, there are already moves in the direction of introducing the evaluation of aspects of performance into personnel appraisal. Reflecting upon such proceedings, at local government level too, it can be anticipated that from now on, there will be an increase in the local governments that aim to reconsider the existing system of personnel appraisal and aim to see that the performance of staff is reflected in this appraisal. However, this kind of practice has only just begun, and useful methodologies have not yet been confirmed. In the private sector, many firms already have a track record of getting to grips with outcome-oriented personnel appraisal systems, but even in the private sector, where it can be thought of as being easier for firms to grasp results than it is for administrative organs, it would be difficult to say that results-oriented personnel appraisal is functioning adequately.

(3) The uses of evaluation results

If administrative evaluation is implemented, then evaluation results will unfailingly be generated. The fundamental rationale of implementing administrative evaluation is so that the evaluation results can be used to achieve some kind of objective. A very important perspective in administrative evaluation is concerned with who will use them (the user) and in what way they will be used (method of use).

In terms of the users of the results, a broad distinction can be made between policy-makers and ordinary citizens. In the case of local governments, it is also

possible to make a further distinction within policy-makers between on the one hand, persons within the administration (chief executive officer, officials) and on the other hand, assembly members.

If we look more closely at the situation within the administration, the most usual method of using the results is for those responsible for tasks and projects and the like to use the evaluation results to improve the said tasks and projects. It is expected of the supervisory staff (line manager, department director, etc.) in each division and/or section that with a view to carrying out organizational management, they will use the administrative evaluation results in implementing budgetary allocations and personnel assignment, but when insufficient authority and responsibility are transferred to such staff, the use of evaluation results by the staff concerned is limited.

Turning to the links with the budgetary system, as explained above, at the time when each division prepares budget requests, it is becoming usual to make decisions in terms of which projects should be retained, or what proportion of the budget should be allocated for each project while using the evaluation results as a reference tool. Even in the finance division, it is coming to be the practice that when the budget requests are assessed, the evaluation results of each item of tasks and projects are regarded as one reference tool to assist with judgments.

On the other hand, cases where the Chief (Governor or Mayor) of the local government uses the results of an evaluation directly for the purpose of decision-making, are comparatively infrequent. There is a tendency among local governments for the operation of the administrative evaluation system to be left to general officials and for the Chief not to be directly involved in getting to grips with the system. As reasons, one can cite the fact that knowledge of the system of administrative evaluation among Chiefs is insufficient, and the fact that because administrative evaluation nowadays is focused primarily on the evaluation of tasks and projects, the quantity of results is enormous, and in addition, the information is not useful for the broad overview needed by the Chief.

Turning to the supervisory role of local assemblies and assembly members, there is an expectation that they will make use of evaluation results. However, the actual situation is that the level of interest among assembly members in the results of administrative evaluation is low, and the number of assembly members who make positive use of such information is very small. Indeed, as far as local assemblies are concerned, it is fair to say that assemblies that aim to make organized and structured use of administrative evaluation are non-existent. But that said, there are cases like that of Shizuoka Prefecture, where the results of the administrative evaluation are

reported to the assembly by the administration. In such cases, it is possible to identify a gradual increase in the number of assembly members who show an interest in administrative evaluation and who use the evaluation results in their activities as assembly members.

Finally, one other group of users of administrative evaluation comprises ordinary citizens. From the perspective of ensuring accountability vis-à-vis the citizenry, there are many local governments which announce as much of the results and other related information on evaluation to local citizens as possible. If there is interest among citizens, it is possible for them to get very considerable amounts of information including an overview of the system, the evaluation process and the evaluation results.

However, unfortunately, the level of interest among citizens generally is at present low, and there are hardly any citizens who look for information about administrative evaluation on local government websites. Further, it is possible to hypothesize that citizen groups such as NPOs and citizen ombudsmen may use the results of evaluation in place of the citizens themselves, but at the present time, there are almost no such movements in Japan.

(4) The effects of evaluation results

More than 10 years have passed since Mie Prefecture first got to grips with administrative evaluation, and during this period, administrative evaluation has been widely disseminated and firmly accepted among local governments as a whole. With this fact in mind, there is a rising level of interest among local governments already tackling the system or examining how to do so in the future, in what kind of effects evaluations that have already been implemented have had.

However, unfortunately, there has been little progress with regard to identification of the effects resulting from administrative evaluation. This state of affairs is not limited to Japan, and even in the U.S.A., which has a long history of the implementation of performance measurement, it is not possible to get an adequate grasp of what has resulted from performance measurement activities.

The reasons for this are that in addition to the difficulty of conceptualizing the “results” of administrative evaluation (or of performance measurement) and grasping the results in a quantitative form, because the primary point of interest on the part of those concerned with administrative evaluation (or performance measurement) has been in the question “How was it implemented?”, there was not a high level of interest in what the effects of it were.

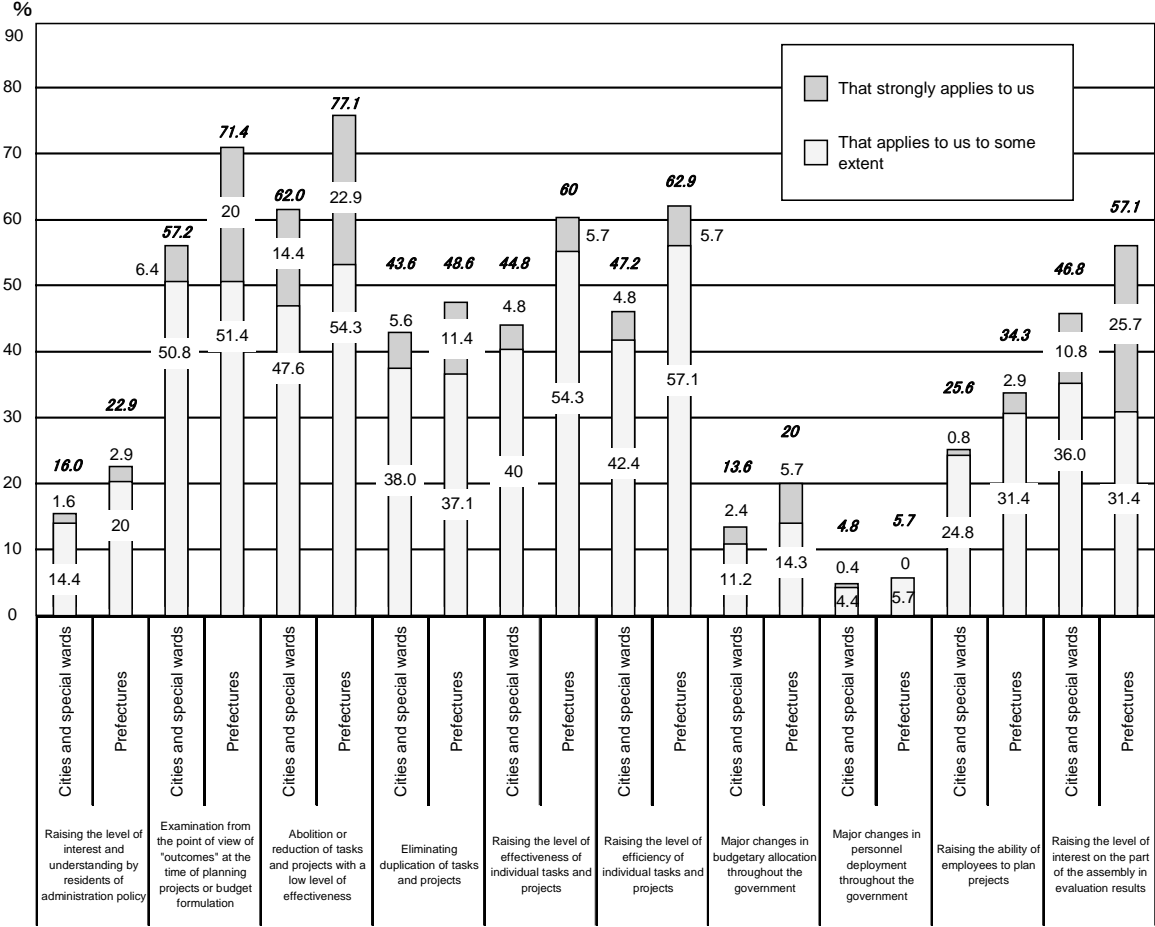
Diagram 2 shows one example of an attempt to grasp the effects of administrative evaluation. This diagram is based on the results of surveying implementation in

prefectures as well as in cities and special wards^{1 2}. In the survey, a list of items covering points that could be anticipated as the results of administrative evaluation was prepared in advance and sent to local governments that were already implementing administrative evaluation so that they could check the items that they recognized as applying to themselves.

The answers from both prefectures and cities and special wards show similar tendencies, and answers that reflected a high degree of awareness of the effects of administrative evaluation were the following: “It became the practice to examine the ‘results’ at the time of planning projects and preparing budget requests”, showing changes in thinking on the part of staff, and “The results were linked to the abolition or reduction of tasks and projects with a low degree of effectiveness”, showing the streamlining of existing tasks and projects.

There was a high level of awareness regarding improvement concerned with tasks and projects, and the level of awareness of the following kinds of effects reached between 40% and 60% of local governments: “rise in the efficiency of individual tasks and projects”; “rise in the effectiveness of individual tasks and projects”; and “dissolution of duplicated tasks and projects”. Furthermore, around 50% of local governments responded that “there has been a rise of interest on the part of the assembly in the evaluation results”. On the other hand, if we look at the issues of budget allocation and personnel deployment, only a very small number of local governments showed an awareness of the effects of such resource allocation within the local government as a whole.

Diagram 2: Results of the implementation of administrative evaluation in local governments (① prefectures; ② cities and special wards)



(Source) Tanaka (2008)

- (N. 1) The results of a survey implemented in Mar. 2006, targeted at prefectures as well as cities and special wards. Response rate: 36 prefectures (76.6%); 528 cities and special wards (67.2%)
- (N. 2) Results only of local governments that responded: "introduction completed" (35 prefectural bodies, 250 cities and special wards)
- (N. 3) The italicized figures in bold type are a combination of those who replied that "that applies strongly to us" and "to some extent, that applies to us".

The above points can be summarized as follows: as a result of the introduction and continuous implementation of administrative evaluation by local governments, changes in the consciousness of local government staff could be observed, and with regard to the tasks and projects that were the main target of administrative evaluation, effects that were identified were the abolition or reduction of projects and a rise in the level of efficiency and effectiveness.

The above said, even if one says that effects could be identified, it was only a small number of local governments which replied that "that applies strongly to us". There is a need to be careful to note that the effects of administrative evaluation were not strongly felt. Furthermore, evaluation results are not sufficiently used in the areas of

budgetary allocation and personnel deployment, or even where they are used, the survey indicates that the effect is very limited.

The survey results can be considered as reflecting the actual present state of administrative evaluation in local governments to a certain extent, but it is necessary to watch carefully for points where the subjective awareness of local government staff (especially staff in the sections primarily concerned with the evaluation) is reflected.

Even within one local government, when the survey is administered to the staff of different sections, there is the possibility of a wide degree of variance in the results. Furthermore, because the survey is fundamentally querying details of subjective awareness, it is difficult to prove that the effects are really in accordance with the replies given. Particularly worthy of note are occasions when a claim is made that there has been a noticeable abolition or reduction in tasks and projects as a result of administrative evaluation. There is considerable room for skepticism in terms of comparing the situation prior to the introduction of the evaluation system and confirming whether or not it has really been possible, as a result of this, to abolish or reduce useless projects. It is possible that respondents to this survey will reply that “Yes, there was an effect” in terms of achievements in this area even when, in reality, actual examples of this were very few in number.

3. Future developments and issues in administrative evaluation

3.1 Problems in administrative evaluation

(1) Methodological aspects

Administrative evaluation has been disseminated throughout local governments all over Japan, and there is a steadily accumulating fund of experience in this area. Against this background, various problems concerned with administrative evaluation have come to people’s attention.

In terms of methodological aspects, many local governments are coming face to face with the difficulty of establishing appropriate performance indicators or target values. With particular reference to performance indicators, as a consequence of publicity being given to results orientation under the influence of NPM, emphasis is put on the importance of establishing outcome indicators. Generally speaking, this is not an easy task. The reason for this is that for many administrative staff, “outcomes” are a new concept, and they are not yet sufficiently accustomed to the corresponding way of thinking. A further factor is that in a significant number of existing tasks and projects, the objectives to be reached are imprecise, and to establish outcome indicators in such cases is a very difficult skill.

Judging from the fact that performance measurement takes the central place in local government administrative evaluation, there are demands to establish high-quality performance indicators and performance targets. Unfortunately, the reality is that many local governments have still not been able to find a solution to this problem.

The limits of tasks and projects evaluation also became clear. The evaluation of individual work projects involves the examination of each project selected as the object of evaluation. It follows that it is an appropriate means of grasping the real nature and problems associated with that individual project, but it is not particularly useful for deciding the priority order among different projects.

If it is not possible to determine a priority order among different tasks and projects, then it is impossible to determine which ones should be retained and which ones abolished. It is because of this that in those local governments which introduced task and project evaluation with the expectation of abolishing or reducing such projects, feelings of disappointment set in when they found that they were unable to achieve this aim to a level which met their initial expectations.

In local governments of this kind, there has been an increase in the creation of an upper level of tasks and projects which is given the name of “program” and consists of a group of multiple individual projects; this “program” is then made the object of evaluation. This evaluation is termed “program-level evaluation” (or simply program evaluation). The attainment of objectives at “program level” can be defined as measuring the degree to which achievement of the individual projects that make up a program have contributed to the achievement of the whole “program”, thus attempting to implement a priority ordering of individual projects. There is also an increase in the number of local governments implementing “policy-level evaluation” (or simply policy evaluation), taking a still higher level of program as its target and constituting an advanced form of program-level evaluation.

According to a survey by the Ministry of Internal Affairs and Communication, the number of local governments that had introduced program-level evaluation as of October 2007 amounted to 87% of prefectures, 41% of cities and special wards, and 23% of towns and villages. Furthermore, the number implementing policy-level evaluation amounted to 37% of prefectures, 13.3% of cities and special wards, and 8.7% of towns and villages.

As described here, getting to grips with advanced types of administrative evaluation in the forms of program-level evaluation and policy-level evaluation is spreading throughout Japan, but their usefulness has yet to be proved, and their true value will be the subject of questioning from now on.

(2) Operational aspects

An operational issue that many local governments are facing is that of the workload of the staff members directly engaged in evaluation. In the course of the ten-plus years during which administrative evaluation has spread through local governments, the number of local government employees has consistently decreased. On the other hand, against the background of decentralization, the work of local government employees has been increasing. Under the leadership of central government, new reform plans (preparation of concentrated reform plans, promotion of private sector outsourcing, the introduction of the designated manager system or PFI, publicly-owned enterprise reform, public accounting reform, etc.) have been presented one after the other, providing additional spurs to the trends referred to here.

As the workload increases, the time that staff can spare to conduct evaluation gets shorter, and the staff responsible for evaluation are forced to become even busier. Additionally, even if it is supposed that administrative evaluation is something with which the local government as a whole has to get to grips, there is a tendency for the staff in particular divisions, such as health, welfare and construction, to be made the object of evaluation carried out in a concentrated form (because such divisions typically are in charge of a number of tasks and projects).

On the other hand, because it is difficult for clear results to be shown as a result of undertaking evaluation activities, there is a tendency for it to be kept at arm's length as something involving superfluous work. As a result, even when serious attempts are made to tackle evaluation, there are almost no occasions when this is recognized by senior officials. Despite the fact that people implement evaluation while being extremely busy trying to juggle all their other tasks, the results are barely used at all within government offices, so that a significant number of people feel their time has been wasted.

In this sort of situation, as a result of a heavy workload and psychological stress, there is a tendency for a lack of eagerness vis-à-vis evaluation to be found among the staff members who are concerned with it. This phenomenon has been termed "evaluation fatigue". In local governments facing evaluation fatigue, there is a very keen awareness that the question of reducing the workload and the stress among employees concerned with evaluation is a major issue.

(3) Making use of the results

The main methods of using the evaluation results are their use by the divisions and/or sections concerned for the improvement of tasks and projects and as a reference tool at the time of preparing budget requests. It is expected that the results will also be

used in other ways (for organizational management by division heads and for review of budget requests by the finance division), but the reality is that there is very limited use of the results for these purposes.

However, as previously noted, there are many local governments which reported that as a result of implementing administrative evaluation, they had abolished or reduced tasks and projects, and raised the level of efficiency and effectiveness. On the other hand, there are a significant number of employees (particularly those responsible for carrying out administrative evaluation) who complain that “we can’t use the evaluation results”. It may be thought that there is a contradiction when these two phenomena are looked at together.

The key to solving this puzzle can be found in the point concerned with what kind of situation has been realized after abolishing and reducing tasks and projects. The fact is that in a significant number of cases, it is already self-evident within local government departments which tasks or projects are redundant even before administrative evaluation begins. In cases of this kind, the biggest role to be performed by administrative evaluation is to “indicate” clearly tasks and projects of the kind referred to. Once they are indicated, they can be examined with a view to being abolished or reduced, and action can (at least in part) be taken. In that sense, the abolition or reduction of tasks and projects can indeed be realized as a result of “the implementation of” administrative evaluation.

However, it goes without saying that this kind of result is not what is fundamentally expected from administrative evaluation. Furthermore, this kind of result does not have a long-lasting character. Once the abolition or reduction of pre-selected tasks and projects has been carried out, it is difficult to identify further ones that are self-evidently redundant. The identification of this kind of effect is limited to the period when administrative evaluation is first introduced.

On the basis of the kind of considerations presented here, the appropriate conclusion to be drawn is that the results of administrative evaluation are not positively used within the administration. It should therefore come as no surprise that the results of implementing administrative evaluation are not as great as foreseen.

(4) Responses by local governments

In the above sections, various problems encountered by local governments in the course of tackling administrative reform have been listed, and reference has been made to the actual situation in respect of the responses by local governments to some of the problem points. It is appropriate here, therefore, to introduce from among the responses made by local governments, those which have not already been touched on.

Looking first at methodological aspects, Mie Prefecture itself has made large changes on many occasions to the system of administrative evaluation, reflecting the limits of evaluating tasks and projects. One can also find in those prefectures, such as Iwate and Niigata, which tackled administrative evaluation at an early stage, examples of the system having been very significantly reappraised. Trends of this kind may possibly suggest that the system of administrative evaluation, which has been widely disseminated throughout the country, is heading for a period of change.

Turning to operational aspects, with a view to lightening the workload of the staff concerned with the evaluation process, there is generally speaking a strong tendency to simplify and abbreviate the administrative evaluation system in such ways as restricting the number of targets considered as objects of evaluation, or reducing the content of evaluation sheets. In this connection, procedures such as a reduction in the number of evaluation objects or a simplification of the evaluation sheets cannot be indiscriminately said to be bad, but if the reason for carrying out such procedures is not to raise the quality of the evaluation, but only to lessen the workload of the persons responsible for evaluation, then they need to be looked at questioningly.

Turning finally to issues of the use of evaluation, there are very few local governments which have set out policies for promoting the use of evaluation results. In order to promote the use of the results in the process of budget formulation, many local governments have taken measures such as integrating budget items with tasks and projects that constitute the evaluation objects, matching the evaluation schedule with budgetary preparations, and so on. However, such devices are no more than conditional arrangements to link the budget and evaluation processes, and in order for the results of evaluation to be made real use of in budgetary planning, it would be necessary to enhance the quality of the evaluation results, and to change the system of evaluation so as to make it generate information that was really required for purposes of drawing up budgets.

3.2 New movements concerned with evaluation

(1) Project sort-out

In this section, I will introduce some movements which can be distinguished from administrative evaluation, but which are recognized as having links with it and have a potential impact on it.

Mention must first be made of the process of “project sort-out,” advocated and implemented as a method of administrative reform by the NPO, Japan Initiative. It is targeted mainly at local governments, and more than 30 local governments have

implemented it since it was first launched in 2002. Recently, implementation has also been carried out in central government organs, including the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Ministry of Finance.

”Project sort-out” targets a limited number of the projects undertaken by local governments, and carries out an examination, in an environment physically open to the public, of the need of the project, the organ responsible for implementing it, the direction of improvements, and so on. At the time set for the implementation of “project sort-out”, a member of staff of Japan Initiative goes to the local government concerned, and initiates a “project sort-out” examination committee session. As well as members of staff of the local government concerned, others who can take part in the “project sort-out” include the staff of other local governments, persons with specific knowledge and expertise, and members of the general public.

Excluding the fact that “project sort-out” is implemented in a public environment, that persons and organs outside the local government can take part in it, and that it represents a single attempt to get to grips with an issue, it does not differ greatly in terms of content from administrative evaluation. In that sense, it can be grasped as one method of administrative evaluation. Many local governments which have tackled “project sort-out” have previously introduced administrative evaluation, and are implementing the two techniques in parallel.

The results of “project sort-out” are no more than reference material, and since the local government concerned does not attach significance to reflecting the results, their effectiveness tends to be open to question. Furthermore, “project sort-out” has attracted considerable attention from the mass media, and in many cases, reports of it have been carried in TV and the newspapers, leading to criticism that the exercise is just a performance carried out for the media.

However, the fact that administrative evaluation and “project sort-out” have been implemented in parallel by local governments can be interpreted as indicating the limits of the hitherto existing system of administrative evaluation. It is difficult to conceive of “project sort-out” as replacing administrative evaluation, but it is possible to define it as a device which assists the evaluation process, and attention must be paid to future trends.

(2) Benchmarking

Benchmarking is originally a method of management used in private sector firms, and aims to secure knowledge linked to improvements in terms of comparing one’s own firm with rival firms. In the U.S.A., there is a history of attempts to apply benchmarking to the comparison of local governments. Particularly well-known are the

Comparative Performance Measurement Consortium established by the ICMA (International City/County Management Association), and the North Carolina Local Government Performance Management Project in the state of North Carolina.

In Japan, a benchmarking project, modeled on that of the ICMA, was started in 2005 by the National Institute for Research Advancement (NIRA). The project was given the name of the “City Government Administrative Evaluation Network Conference”, and to date, nearly 90 local governments (cities or special wards) have participated in it.

In the Conference, 18 basic areas of policy common to all local governments (health checks, childcare services, garbage collection, fire and emergency services, and so on) are targeted, and common performance indicators are established. By sharing the attainment values of the performance indicators among participating local governments, benchmarking becomes possible.

The most important characteristic differentiating benchmarking from administrative evaluation as practiced hitherto is that it represents a joint initiative by a large number of local governments. Moreover, because benchmarking targets basic policy areas common to all local governments, it should be noted when comparing it with general administrative evaluation, that the evaluation objects are extremely selective and limited.

Benchmarking makes it possible to draw comparisons with local governments, and its significance in enhancing the usefulness of traditional administrative evaluation is recognized. It should also be noted that in the NIRA project, the establishment of performance indicators, the selection of data for use as indicators, and the statistical analysis of local government indicator values are all implemented to very strict standards, so that looking also from the perspective of the implementation of performance measurement, it seems desirable for this project to be widely circulated among local governments as reference material.

(3) Local manifestos

A manifesto is a new type of public pledge or promise, prepared by political parties and individual politicians and shown to interested parties at the time of elections. Differing from traditional promises, a manifesto is regarded among election candidates and persons of authority as a contract, and if the candidate who has prepared a manifesto is elected, there are much stronger demands than in the past that the promises made in the manifesto should be realized. Against this background, there is a need for each policy item in a manifesto to be accompanied by a clear specification of concrete “numerical targets” aimed at realization of the policy, an “attainment timescale”, and details of the methods of raising the “funding” required for realization

of the policy concerned.

The concept of the manifesto originated in Britain, and it has been used in elections in Britain since about the 19th century. However, confirmation of the manifesto as currently understood is said to date from the election of Mrs. Thatcher in 1987.

In Japan, manifestos were first used by candidates for prefectural governorships in the unified local elections of April 2003. In this election, candidates who presented manifestos were elected as prefectural governors in the 6 prefectures of Hokkaido, Iwate, Kanagawa, Fukui, Fukuoka, and Saga. Since then, there has been an increase in examples of candidates preparing manifestos when standing for election as the Chief of a local government.

On the other hand, at the level of national policy, at the time of public election announcements in October 2003, the 6 major political parties, with the Liberal Democratic Party and the Democratic Party of Japan taking the lead, prepared manifestos, marking the first occasion for them to be used in a national election. Since then, it has become customary for the main political parties to use manifestos in elections such as general elections or elections for the House of Councilors.

As far as local manifestos are concerned, this term designates primarily manifestos prepared at the time of the election of the chief executive officers of local governments (there are cases of manifestos prepared for the election of local assembly members, but they are not as common as ones used in the election of Chiefs), and are given the name of local manifestos to differentiate them from manifestos prepared for national elections.

There is no fundamental connection between local manifestos and administrative evaluation. But that said, in cases in which candidates using manifestos have been elected as a prefectural governor or a city mayor, it has been possible to grasp the numerical targets incorporated into the manifestos, and there have been demands for public declarations to be made vis-à-vis persons of authority. Leading on from this, grasping the degree to which numerical targets have been achieved is an activity that is very close to administrative evaluation, and as a result of the emergence of manifestos, a new, “evaluatory-like” activity has been generated, additional to the existing evaluation in local governments, in the form of evaluating the degree to which manifestos have been realized.

What has become a problem in local governments facing situations of this kind is that the system of policy objectives, which should be subject to proof and validation, has become a two-layered system, consisting of the performance targets found in administrative evaluation, and the system of numerical targets that has newly

appeared together with manifestos. Particularly in local governments where the Chief has changed as a result of elections, there are more than a few cases where coordination is needed between the performance targets constructed by the former Chief and the numerical targets that are incorporated into the manifesto of the new Chief.

It can be seen therefore that in the ways described here, there are aspects of confusion brought by local manifestos vis-à-vis the existing system of administrative evaluation. On the other hand, given that it is possible to grasp new evaluation needs from the political side, it is necessary for the local government, while paying attention to the connections with the existing system of administrative evaluation, to respond to these new evaluation needs.

(4) Public accounting reform

NPM has also brought changes to the ideal pattern of public accounting. With a view to promoting moves to greater efficiency, as emphasized by NPM, it can be considered as desirable for private sector accounting methods as used in the private sector (accrual accounting or double-entry bookkeeping) to be applied to the public sector, and for administrative activities to be managed in terms of financial aspects. In fact, in the countries (U.K., U.S.A., New Zealand, Australia, etc.) which tackled administrative reform on the basis of NPM, accrual accounting was introduced into public accounting in central and local government in the 1990s.

In Japan, following the introduction by the Ministry of Internal Affairs and Communications to local governments of standardized methods of preparing financial statements, there have been moves in individual local governments since 2000 toward the preparation of balance sheets and administrative cost accounts modeled on the pattern used in private industry. Furthermore, accompanying the enactment in June 2007 of the Law Relating to the Financial Soundness of Local Governments (generally known as the Local Financial Soundness Law), local governments are required to prepare, by the autumn of 2009 (in some cases, by the autumn of 2011), consolidated financial statements (consolidating the accounting of public corporations and the third sector corporations into the general account).

As a result of the preparation by local governments of financial statements based on private sector accounting methods, financial information which it was difficult to grasp with cash accounting (for example, the depreciation of fixed assets or reserve for pension fund use, etc.) has been clarified. This clarification is linked to getting a more accurate grasp of input information linked to the costs of tasks and projects, as required for administrative evaluation, and it follows that this is desirable from the

perspective of such evaluation.

However, financial statements do no more than show the financial state of a local government body as a whole, and preparation of a financial statement does not mean that it is immediately possible to grasp the costs of individual tasks and projects. To get an accurate grasp of the cost of these, it is necessary to calculate the costs of each activity on the basis of the information in the financial statements. It will take a little more time before the results of public accounting reform can be utilized in administrative evaluation.

3.3 Future developments and issues

As will have become clear from the overview up to this point, the new initiative known as administrative evaluation has been widely disseminated throughout local governments in Japan. Even in local governments in which the system has not yet been introduced, there are many cases in which preparations for its introduction or an examination of the possibility of introducing it are underway, making it almost certain that in the foreseeable future, the spread of the system will continue.

However, in the long term, it is not possible to predict whether or not the system will become an accepted part of local government and whether or not it will be used. Recently, attention has been drawn to various problem areas within administrative evaluation, and included within these are the very important problems of the practicality and the usefulness of administrative evaluation.

Against this background, I would like to mention, as directions which will have an influence on the future pattern of administrative evaluation, “departure from the system of task and project evaluation” and “linking evaluation with budget”. The limits of task and project evaluation were recognized in Mie Prefecture, and along with this, there is the possibility that resolution of the question of whether a new system of evaluation will be developed in place of the existing one, and disseminated, will radically change the position of administrative evaluation in local governments.

On the latter point concerning “linking evaluation with budget”, this is something which many local governments have in mind, but has so far not been adequately realized. If a useful solution could be found, the usefulness of administrative evaluation and its importance for local governments would be likely to increase.

It is also highly likely that the result of pursuing results to the two directions referred to above, namely “departure from the system of task and project evaluation” and “linking evaluation with budget” will converge into a same solution.

One point that has not received very detailed treatment in this paper is that of

whether the level of interest on the part of local citizens or assembly members in administrative evaluation is likely to have a long-term influence on its future direction. With particular regard to methods of making use of evaluation results by citizens or assembly members, there is very little evidence of any initiatives that can serve as reference points either in Japan or overseas, and forward-looking initiatives or suggestions by concerned parties (the administration, citizens, assembly members, researchers, etc.) are awaited.

Finally, precisely because the boom period of administrative evaluation in local governments has passed, there are demands for it to be objectively studied. What is now called for on the part of local governments that are thinking of tackling administrative evaluation is firstly that on the basis of learning from the experience of other local governments, they clarify what their objectives in introducing the system are, and then construct a useful system that matches these objectives, and carry out implementation as a gradual process. In local governments that have already implemented administrative evaluation, it is necessary for them to continue regular study of the usefulness of the existing system as well as to make continuous efforts at improvements aimed at enhancing its quality and usefulness. In this connection, courage will be needed to make major changes in the existing system, but in the event that the results of study show that the system has a low level of usefulness, an attitude of readiness to radically reconstruct the entire system of administrative evaluation will be required.

Notes

- ¹ On this point, see the interpretation on pp. 36-37 of Furukawa, Kitaoji (2004).
- ² For example, from the 7th edition of the standard textbook on program evaluation, published in 2004, by Rossi, Lipsey & Freeman (2004), performance measurement is given a separate chapter.
- ³ Because there is an independent history of public sector reform in the U.S.A., there is only a weak consciousness of linking the current of NPM with public sector reform in recent years. However, many reforms in the public sector in the U.S.A. since the 1980s have items in common with NPM, and outside the U.S.A., it is common to interpret the reforms of the U.S.A. as being linked to NPM.
- ⁴ Expressions that can be found with a meaning analogous to this include Governing for Results, Results-based Management, Performance-based Management, and Outcome-oriented Management.
- ⁵ For example, words in English which convey the meaning of the Japanese term, “hyouka”, include evaluation, assessment, appraisal, appreciation, estimation, and so on.
- ⁶ The evaluation formula is not a method of evaluation, but a categorization focused for convenience on the points on which it can be supposed that an organ undertaking evaluation is concentrating, such as the objectives of the evaluation, the targets, the time scale, and so on.
- ⁷ “Comprehensive evaluation’ is focused on a specific theme, and bears a considerable resemblance to program evaluation” (Furukawa, Kitaoji (2004), p. 54).
- ⁸ Representative examples are Shimada and Mitsubishi Research Institute (1999), Furukawa, Kitaoji (2004), and Tanaka (2008).
- ⁹ Since Tottori Prefecture is implementing, within the framework of the budgetary assessment process, examination activities equivalent to the administration evaluation activities carried out in other local governments, it does not acknowledge a need to introduce administrative evaluation.
- ¹⁰ This survey was undertaken by the author of this paper in March 2006. The objects of the survey were: 1) prefectures; 2) cities and special wards in Japan. Replies were received from 36 prefectures (76.6%) and 528 cities and special wards (67.2%). Of the respondents, those who said they had completed the introduction of administrative evaluation amounted to 97.2% of prefectures (35 bodies), and 47.3% of cities and special wards (250 bodies).
- ¹¹ There are also local governments which do not distribute an evaluation sheet, but instead arrange for the necessary evaluation items to be input into computer terminals linked to the information system within the government headquarters or to an intranet system.
- ¹² The same survey as shown in Note.10.

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