

*Textbook vs. Praxis:
Comparative Lessons in Policy-Making
at the Local Level in East Asia*

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In the United States, there are multiple models of policy-making, some more well-known than others (Lasswell, 1951; Peterson, 1991). In general, these models have a normative basis that equates pluralist systems of democratic governance with economic free market systems. Thus certain political configurations, such as decentralized government structures, are assumed to have economic benefits. Such assumptions do not necessarily appear in European models of decentralization. This paper lays out the U.S. intergovernmental models, and then examines some of the key assumptions of such models. It is then examined how such models fare in the local policy-making environments of Japan and Korea under the decentralization programs of the late 1990s and early 2000s. This examination highlights a marked difference in the understanding (and enactment) of the decentralization of policy-making between the U.S.

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and East Asia. Finally, some of the decentralization efforts in Europe are compared with both U.S. and East Asian approaches, and still unique conditions are found in East Asia that demonstrate growing rifts between the centre and the peripheries.

Key words: policy-making, intergovernmental models, decentralization, local government, United States of America, Japan, Korea, East Asia

Public policy is what governments choose to do and what governments choose not to do.

(Dye, 2001: 2)

1. Introduction

In the United States, federalism and intergovernmental relations have been the two research areas that attempt to bridge the divides between more singular models of governing at local and national levels.¹ For scholars in East Asia, such models (Peterson, 1995) can often prove frustrating, since they assume basic power arrangements between a central government, local governments, and general society that do not exist in the same fashion elsewhere (Kingdon, 1998). However, such models have often been referenced despite their lack of fit because of two factors: first, the structure of intergovernmental relations in the U.S. allows for both centralized and decentralized modes of governance; and second, perceived economic benefits that can be derived from a more competitive model of local government (Peterson, 1995; Brace, 1993; Rozman, 2002). Part of the difficulty in translating such models lies in the lack of discussion of these underlying assumptions on which U.S. models are based. As such, many attempts have been made in other nations to duplicate the decentralization characteristics of U.S. federalism, expecting political and economic results that never materialize.

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This has been particularly salient in East Asian countries that have undergone attempts to decentralize policy-making in an effort to capitalize on anticipated gains in efficiency and effectiveness. Given these differences, one might reasonably ask why U.S. models of decentralized policy-making are often cited in Korea and Japan, rather than other models that may share more characteristics, such as those tried in Europe (Vries, 2000).

What are the expectations one might have for decentralization initiatives that are premised on a U.S.-based political economy model in places where some of the basic underlying assumptions exist in weak form, if at all? What role does the quality of information available to local policymakers play in the kinds of decisions they make? What do assumptions about shared values over different levels of government do to the expectations that both central and local actors have for decentralization efforts?

This paper will attempt to address these questions by examining two different attempts at decentralizing policy-making decisions to the local level of government. Using information from interviews with local government officials in Japan and Korea from 2006 to 2007, questions about the nature of both expectations from the national level and local levels of government will be compared with the experiences of local level officials. This information highlights key differences between expectations driven largely by U.S. models and the realities of power-sharing at the local level in East Asia.

Additionally, the comparison between the anticipated economic benefits and the realities of governance demonstrates the unusual relationship between the U.S. market system and local politics and assumptions about behavioural responses to policy-making. It also demonstrates the lack of such assumptions in Korean and Japanese policy-making models, and a much greater emphasis on symbolic and party actions than is the norm in the American local government system.

There are also key differences between the Japanese and Korean approaches to local policy-making that are evident in their expectations of the decentralization efforts, especially with respect to the sources of information for making key policy decisions. In many ways, this would seem to make the Korean and Japanese experiences much more akin to European examples from the latter part of the 20th century. However, there are key distinctions with respect to country norms and some of the sentiments of local government officials that make unexpected pieces of the U.S. policy-making models more attractive. The possible reasons as to why U.S. models are cited as more influential are then addressed.

2. U.S. Intergovernmental Policy-Making: Models and Assumptions

According to Peterson (1995), the U.S. federalist system is stratified in ways that divide policy-making powers into levels that match the capacities and occasionally the needs of different publics. For example, the resident of City A is simultaneously the resident of a state and a nation. These are formal distinctions that structure voting rights and access to particular services provided by different levels of government. The crux of Peterson's argument, however, is that the nature of policy-making is different at each level because of the unique relationship between the power of economic mobility and the power of political jurisdictions. As the size of a political jurisdiction increases, so therefore, does the ability of political power to influence economic power. Therefore, Peterson concludes that certain levels of government are appropriate for particular kinds of policy: states and national governments are the only levels capable of engaging in the redistribution of resources. Anything below that level lacks sufficient power to compete with the influence of market actors, especially those that can provide economies of scale.

This competitive model of markets and governments is distinct from the more corporatist models in East Asia. Both Japan and Korea have long histories of strong ties between economic and political power at the national level, where coalitions are forged between private sector companies, the flow of capital through banks, and the political elite. In fact, it is often difficult for businesses in East Asia to understand the independent nature of most American business when it comes to national political ties. It also means that the role and powers of local governments in the U.S. may be viewed through a somewhat distinctive lens.

Local governments are largely left to their own devices in the U.S. Peterson (1981) has pointed out that successful cities are often defined as such in economic terms – and in keeping with the Tiebout (1951) argument, they compete with each other for two things: median taxpayers and those things that will attract median taxpayers. The latter category provides the most fodder for discussion since there is still a great deal of disagreement as to what attracts the median taxpayer, or even what is defined as the median taxpayer. In general, however, there is agreement that median taxpayers are property owners who will pay the predominant form of local tax: property tax. Property taxes are generally collected and distributed at the county level of government, with minimal oversight or interference

from the state. The major contenders for property tax tend to be cities and the county (or counties) in which they reside. In this sense, the U.S. model is similar to some European models of local fiscal autonomy (Vries, 2000). This is also something that therefore distinguishes local policy-making in the U.S. and Europe from its East Asian equivalents.

Local governments have their own revenue stream, and can structure local policies to maximize it (Zimmerman, 1992) within their jurisdictions. This kind of fiscal autonomy is not formally present in either Japan or South Korea. Despite the political reforms of the late 1990s and early 2000s in both countries, local governments at the city and prefecture levels have limited control over their own revenue streams. Most revenue collected at the local level is insufficient to cover basic service provision, so most is rendered to the national government, which then redistributes the funds according to national policy and local need within those policy priorities (Korea 2, 2010; Japan 2, 2007). This means that local officials can exercise limited discretion in following national policies, since without the revenue stream from the national government, what they can accomplish on their own is limited.

2.1. Recent Local Government History and »Devolution«

There is another important distinction, which is perhaps the most relevant to the comparison that follows. During the »devolution« phase of national politics during the mid 1990s in the U.S., the federal government pushed many types of policy-making to the state and local levels. The reasons for this were both fiscal and ideological. The federal deficit had ballooned under the higher interest rates and spending levels for defence during the 1980s, so the debt had become a political issue at the national level. Fiscal conservatives in Congress allied with ideological conservatives who called for more decision-making »at levels closer to the people affected by those decisions« and reduced federal spending on decisions that were made at state and local levels. In 1995, Congress passed the Unfunded Mandates Act, which stated that if the federal government issued a mandate to states and localities without requisite funding, the states and localities need not comply.

In reality, this was already a common practice, in keeping with requests from governors asking for more autonomy (Kincaid, 1998) and Supreme Court decisions outlining state responsibilities when accepting federal monies (Walker, 1981: 135–191). The legislation was largely symbolic,

but met mixed reviews at the state level. In order to make up their losses from reduced intergovernmental revenues under the tax cuts and the tax caps on property revenue of the 1980s, many states raised taxes on income or imposed fees for services. Thus citizens in high service states, such as California, Washington, and New York, often saw little reduction in their overall tax burden. As long as inflation was low, however, and the ability to borrow or obtain credit was easy, most citizens did not seem to mind.

This devolution of authority had a divisive effect on state governments. For those who had provided high levels of service, usually in states with large urban populations, the government faced a citizenry accustomed to that service level and unlikely to accept reductions well. Thus, the need to continue taxing and providing services was fuelled by high-level demand at the local level. However, for states that had only begrudgingly provided services mandated through the provision of federal funds, a reduction in mandates meant more local money could be freed up for other purposes. Thus, the divide in service provision between traditional urban areas and new urban areas, especially in the South and Southwest, became increasingly wider over the decade of the 1990s and into the new millennium.

This divide meant that state governments had very different experiences, depending on their traditional service delivery levels (Brace, 1993). Those at the top were now constrained from pursuing new revenue sources, since any increase in the cost of living would push people into lower cost areas, only exacerbating the revenue stream problem. In some parts of the country, local governments were capitalizing on the transition of small farms into corporate farming, and rezoning agricultural land for residential purposes. Migrations from high land cost areas, such as coastal California, to low cost regions, like Texas and Oklahoma, were in full sway. John Husing posited that this cost reduction, which he called »dirt theory«, fuelled migrations similar to those of the 1930s, except in reverse (Husing, 2005).

Local governments were often caught in the middle. For those at the very top, such as New York or San Francisco, the mix of services and taxation attracted enough residents who were comfortable with both to maintain city services at high levels. Nevertheless, the key question was local governments' capacity. Local governments without previous experience in either trimming service provision or in pursuing alternative revenue streams often found themselves behind the curve. In this respect, growing cities that were attracting new residents through lower land prices and service jobs did not use their new sources of revenue to broaden service provision.

Generally, increases in revenues were spent on business attraction: tax abatements, redevelopment of downtown areas, or capital projects, which still required the acquisition of debt, despite somewhat elevated revenue levels. Thus, the policies made at the local level did redistribute resources, but the resources went from the population at large to business interests (Kotkin and Frey, 2007).

Politically, the devolution had mixed results. Some urban areas did well, especially those with a well-established economic base or an economy of scale, like Chicago and New York. Other urban areas with large poor or aging populations, however, did not fare so well. Such populations find migrating to take advantage of lower costs of living difficult, so cities with a decline in industry (e.g. Detroit) or with large immobile poor populations (e.g. New Orleans, even pre-Katrina) were especially hard hit. There were some gains in efficiency – in general, those who could migrate to a place where they were satisfied with the mix of services and taxation. Nevertheless, local governments did not necessarily gain ground in improved cost effectiveness. The debt that saddles many local governments across the country today is easy to see in capital projects that have not realized their projected revenue generation or had the kind of spread effects that local governments anticipated (Baade, 1996).

2.2. The Role of Intergovernmental Relations

The rationale for doing so was very different from similar calls during the 1980s in the U.S. The push for local level decision-making in the U.S. came on the heels of decades of attempts by the federal government to bypass states and directly influence policies at the local level through funding. During the 1970s, many state capitals were backwaters of legislative decision-making, with legislatures that met once every two years and deliberated policy matters of limited consequence. Some, especially in the southern U.S., were openly hostile to federal policies, and provided limited help in implementing policy. Thus, the federal government sought to bypass state governments entirely, giving aid directly to cities in an attempt to get policies that would represent national priorities put into place, especially in health and welfare (Zimmerman, 2009; Pressman and Wildavsky, 1984).

By the end of the decade, stagflation had overwhelmed the U.S. political institutions at all levels of government, and the recession of the early 1980s highlighted a need for fiscal austerity and efficiency. However, there was

also a sense, especially in state capitals, that the federal government was overstepping its bounds, and by the end of the 1980s, funding to local governments had dried up while mandates for public policy execution had remained intact. Local governments began asking for more flexibility in making decisions, since what was good for Detroit, Michigan did not necessarily make sense for San Antonio, Texas. The argument for devolution of authority was pushed by state officials, who were finding like-minded officials at the national level. The mantra »the government who governs least governs best« became a constant theme, so by the 1990s, when economic recovery began in earnest, the idea of economic growth was firmly linked with decentralized decision-making.

3. Translating Models

Some of the key assumptions in the U.S. model of federalism as put forward by Peterson (1995) are related to mobility: the ability of people to move from one place to another and for business and capital to relocate should conditions elsewhere prove more profitable. Thus, state and local governments have an incentive to vary their policies to attract certain kinds of residents or business. However, problems arise when states with lower knowledge or professional capacities find themselves competing with high capacity states for residents or businesses with similar preferences (Brace, 1993). This is a political economy model that does not fit into the norms for political economy in East Asia.

In East Asia, political economy is strongly associated with Marxism, which makes discussion about decentralization and centralization interesting. In South Korea, for example, if one is studying political economy, one is essentially studying the works of Marx and Engels. In the U.S., Marx and Engels appear in courses on political theory or philosophy, and occasionally, in economics. The field of political economy in the U.S. leans much more towards economics and the »interference« of politics into market functions (Burnham, 1979; Stigler, 1971). Thus, the focus on the movement of labour and capital is assumed to be due to variations in market delivery preferences, where local governments serve as policy supermarkets, and citizens become shoppers for public goods and services. This is far more »economics« and less »politics« than a class-driven model would allow. It also presumes that the primary motivation for human behaviour is economic, not political.

Another key characteristic of the U.S. system that should be mentioned is the lack of a cohesive party platform at the local level of government. The vast majority of local elections in the U.S. are non-partisan: several states prohibit candidates from affiliating themselves with a party during campaigns. The reasons for such prohibitions are largely due to the widespread use of a »reform« model of government, the council-manager system, where professionalism is meant to be apolitical. Thus, the lack of influence of politics over economics at the local level is to be expected to some extent, given the neutered version of politics that is practiced. This is a distinction that is notable for its lack of similarity with the East Asian systems. Party platforms often drive local elections and policy discussions, which brings us to the key questions this paper seeks to address.

4. Comparative Frameworks: Matching Likes and Unlikes

In order to determine in a more systematic fashion how these different approaches to local authority and decision-making might be compared and conclusions drawn, it helps to have a framework for analysis (Ragin, 1987). As Ostrom has argued:

»Frameworks organize diagnostic and prescriptive inquiry. They provide the most general list of variables that should be used to analyze all types of [policy] arrangements. Frameworks provide a metatheoretic language that can be used to compare theories. They attempt to identify the universal elements that any theory relevant to the same kind of phenomena would need to include ... Thus, the elements contained in a framework help the analyst generate the questions that need to be addressed when first conducting an analysis« (Ostrom, 1997: 6).

One of the difficulties in using U.S.-based theories of political federalism is that they are often cobbled together from a variety of theoretical perspectives, borrowed from political science: pluralism (Dahl, 1961); class distinctions (Polsby, 1968); coalition of elites (Stone, 1989); urban and regional planning (Savitch and Vogel, 2009); and economics (Tiebout, 1957; Nelson, 1985). Even within a single discipline like political science, each distinct theory generates separate and sometimes contradictory expectations for the relationships between structure and power. Thus, a framework that incorporates components from multiple theories must keep in mind the underlying assumptions for each set of constructs,

variables and measures that have been used to generate hypotheses and test the viability of a variety of models. Although I have focused thus far on an economically driven model (since within the U.S. this has arguably been the most influential in the decentralization discussion), this variety needs to be recognized.

This does not mean that a framework for approaching a comparative analysis of local decision-making need be obtuse or inaccessible. By focusing on what Ragin (1987) defines as John Stuart Mill's »similar and dissimilar«, even complex, highly qualitative information can be compared in a systematic way. The real challenge lies in deciding which constructs need to be included in such a framework so that a credible analysis can be conducted. Thus, developing a framework for local policy-making in multiple country contexts provides an excellent opportunity to demonstrate the strengths of such an approach and some of the inherent caveats.

5. Bases for Comparison: Similarities

According to Ragin, establishing similarities and differences across cases should be done as simply as possible: with whether or not a condition exists in each case. This creates a systematic basis for comparison with multiple variables across cases. It also allows for comparison with variables that are not necessarily quantitative or difficult to measure in accurate ways.

Ragin's methodology is meant to be used for macrosocial variables and across multiple cases, where there may not be sufficient data to delve into variables in detail. Although the variables in this example are not macrosocial, the process of identifying similarities and differences across cases can be adjusted to provide a comparative framework for other cases that meet a sufficiency criterion.

The three questions being addressed here deal with decentralization in Korea and Japan from the following perspectives: 1) predictions for the two countries based on U.S. model where the independent and environmental constructs from the U.S. may not be present; 2) the role of information/expertise in structuring local level policy decision; and 3) measuring shared values between the centre (national) and peripheries (local) as illustrated by policy decisions. In order to apply the Ragin methodology, variables from the previous discussion on decentralization have been identified as follows:

Table 1: Presence of Key Variables

U.S. Model	Japan	South Korea
Local fiscal autonomy	No	No
Local political autonomy	Yes	Yes
National party support	Yes	Yes
Local policymaking autonomy	No	No
Intergovernmental fiscal transparency	Yes	No
Intergovernmental information sharing	Yes	No

With the variables for comparison identified, the next step is to establish the context in which the variables for comparative analysis should be understood. This will be done by examining the context of local policymaking in Japan and South Korea within the last two decades.

5.1. A Brief Comparative History

Both Japan and Korea have undergone attempts to decentralize public policy decisions, prompted by both external pressures from international forces, such as the International Monetary Fund (IMF), but also due to internal pressures to broaden decision-making and institute more transparent measures for setting policy, especially in the realm of economic and regulatory policies (Lim and Tang, 2002; Iwao, 1997). For both nations, this combination of forces was both political and economic, and set in motion formal attempts to push policy decisions down to local levels (Japan 1, 2006; Korea 1, 2007; Minakir, 2011: 50–51).

5.2. The Power of Information

One of the prevalent themes in decentralization efforts in Japan and Korea has been over the control of information. Top-down structures for both collecting and releasing information have been a growing target of criticism from local officials and researchers in both countries. Bureaucrats are often well-trained experts in particular policy areas at the national levels. Their pronouncements on policy are respected in ways that U.S. civil servants find enviable (Pressman and Wildavsky, 1984; Pempel, 1987; Lim and Tang, 2002). There are also much tighter controls on the

flow of information; the standard of evidence for »need to know« is much higher in Japan and Korea than in the U.S. For example, it is much harder for a Korean or Japanese local official to receive information on how to respond to an environmental hazard, such as a problem with a nuclear power facility, than it is for a counterpart in the U.S. Recent events in Fukushima highlight this in stark detail.

That said, local governments in both Japan and Korea have been increasingly vocal in asserting what local officials see as differences in opinion with national policy since the mid-1990s. The siting² of hazardous waste treatment facilities, for example, in Korea has become a matter of local interest and therefore of intergovernmental dialogue (Lim and Tang, 2002). In Japan, the voices of farming communities that have been hurt by globalization have become more strident and more influential in shaping national policy (Rozman, 1999). The ability of local officials to plead their cases to national governments has increased dramatically in the last two decades. The big questions to be determined here are how and why.

The Case of Japan. In Japan, decentralization had little to do with devolution of political authority and decision-making. Local governments had limited powers, and often found themselves at odds with national policy approaches (Gotoda, 1985; Reed, 1986). Decentralization was actually viewed at the national level as a means to accomplish two goals: 1) increase efficiency by pushing certain kinds of policy decisions down to the local level as deemed appropriate by the central government; and, 2) consolidate national power by co-opting local governments through party ties. The idea that these two goals might be contradictory did not seem to be considered a fatal flaw – far from it; this was considered a practical necessity.

In 2002, the Japanese Diet passed legislation that allowed local governments to play a larger role in making policy decisions that would affect local conditions. This was seen as an attempt to accomplish a number of things (Japan 1, 2006): first, it would render greater efficiencies in service provision, since localities would be able to decide what level of service was necessary given local conditions. If, for example, an area was experiencing a rapid greying of the population through a combined loss of young wage earners to larger urban centres and the increase in life expectancy of the elderly, instituting a national policy focusing on early childhood education

² The word »siting« here means placement, location. Site = location; site – siting, sited, »double t« is not required. Op. lekt.

at the cost of geriatric health service provision might seem misguided. Second, such a loosening of central control would also allow for some load-shedding at the national level, since the central government would no longer be responsible for uniform policy implementation across Japan. Finally, this would allow local officials the opportunity to build up some local expertise in certain policy areas that were locally important, and be recognized for such expertise. If a locality became good at rice production, they could share their expertise with other localities that might have similar aptitudes. The central government would be a mediator, rather than a primary source of information, thus (again) reducing costs. As a result, the need for high quality policy information at the local level has driven the establishment of prefecture level policy think tanks (Japan 2, 2007).

There are two observations to be made with respect to this last development. First, these think tanks are mandated through national legislation, so the question of their political autonomy has been a bone of contention. Second, this bone of contention has been addressed in part through the privatization of these think tanks. In Japan, this means that their funding comes from corporate and university sources, rather than directly from the national government, and their staffing decisions are therefore not subject to the usual civil service requirements. This has had some interesting consequences. Firstly, it has highlighted the level of distrust that often exists between local officials and the central government. Secondly, it has not necessarily quelled concerns about independence; corporate sponsors are sometimes viewed with as much suspicion as political leaders, since coalitions between the two are common. Finally (and somewhat ironically), the quality of information provided by such think tanks has been called into question because they are not staffed by civil servants. Balancing these competing concerns has proven to be a challenge (Japan 1, 2006; Japan 2, 2007).

The Case of Korea. In Korea, local governments had been operating as arms of the national government from 1961 and the beginning of military rule by President Park Chung Hee (Lim and Tang, 2002). It was not until 1995 with the reinstatement of the elections of local governors, legislators and mayors that local governments were given any real authority or autonomy. This push to open up political institutions to more democratic norms was augmented by greater freedoms for the press, and more rights for certain groups, such as labour unions, to organize and protest. Overall, the level of participation in local politics has steadily risen since 1995, and

as the level of income has risen across the country, so too has the level of interest in power-sharing between the central and local governments.

However, the push to decentralize decision-making is much more recent and far less formalized than in Japan. The national government has recognized that allowing local officials some leeway in making policy can render desirable national results. This is nowhere more evident than in the changing face of the capital city of Seoul and the southern city of Busan over the past decade. The ability of local mayors to engage national assistance, both fiscal and political, has allowed them a degree of discretion, if not autonomy, that has had noticeable results. The redevelopment of downtown Seoul and its success in bringing both domestic and international investment into the city has reaped political rewards for the mayor who oversaw the city's transformation: he ran for the presidency and won.

Nevertheless, Korea's highly centralized system of control, largely seen as a relic of its days under military rule, has proven difficult to deconstruct. The control of information at the national level has been largely tied to controls on political power. Getting things done in Korea requires a great deal of perseverance, and there are tiered levels of knowledge (Korea 2, 2007; Lim and Tang, 2002). On a daily basis, local government officials rarely require information from the central government. Most of what needs to be accomplished can be done with minimal input from the capital. However, the exception to this rule lies in the revenue collection and redistribution system of the country. Information regarding fiscal matters is highly prized, and a great deal of political capital is often expended on determining exactly what the flow of intergovernmental revenue will be, and how many central strings will be tied to its local expenditure.

6. Comparative Analysis: The Dissimilars and the Power of the Purse

It is the fiscal autonomy of local governments in the U.S. (or their potential to be so) that most starkly sets them apart from their East Asian counterparts. Indeed, it is their capacity to raise revenues for local expenditures, most notably in the policy area of education, which allows local governments in the U.S. a degree of discretion and power unknown to local governments in Japan and Korea. This capacity has proven the basis for often contentious relationships between successful cities and the states in which they reside. Poor states and wealthy cities can engage in

sparring over the sweeping of designated revenues during times of fiscal stress (Hawaii and Honolulu, Louisiana and New Orleans pre-Hurricane Katrina, and St. Louis and Missouri). Large successful cities are often the economic drivers of a state, and states will often go to great lengths to tap that power using the considerable political arsenals at their disposal (Zimmerman, 2009).

Thus the relationships between cities and states can define policy outcomes in ways that may surprise outside observers. Although there are often considerable long-term gains to be had if governments cooperate with each other, this is often not the reality. There is local political rent that can be won by officials who refuse to »play nicely« with their state counterparts. In the state of Michigan, for example, localities could save literally millions of dollars each year in maintenance costs by having smaller cities share joint police and/or fire fighting forces. By consolidating service provision, efficiencies from economies of scale could be realized (Carr, Leroux and Shrestha, 2009). Nevertheless, many smaller localities saw consolidation as a loss of political power – fire-fighters and police officers were often justifications for greater local expenditures, and could be used as political leverage at the state level when Michigan was missing national marks for crime and fire prevention. Thus many refused to consolidate, and continued to operate until cities went into bankruptcy. The state, in turn, then felt obligated to bail them out.

However, this is not always a guarantee. Miami, for example, lived well beyond its means in the early 1990s, and after threatening to let its bonding drop, turned to the state seeking a bailout. Then-Governor Lawton Chiles, an Osborne and Gaebler convert, called their bluff, and gave no assistance. The mayor of Miami and the city council were forced to cut service provision, and then faced the ire of residents at the ballot box. Autonomy and discretion come with requisite political accountability as well. It is here that Japan and Korea differ substantially.

Japan offers little fiscal autonomy to the prefecture level or city level of government. However, there is a great deal of political autonomy, since Japan, unlike the U.S., operates under parliamentary rules. Therefore, when the local party and ruling national party differ, there is still a way for local representation to be heard at the national level through party affiliates. This is not true within the U.S. Political parties have become more important over the past twenty years, but they still do not have the degree of policy coherence nor loyalty that their Japanese counterparts demonstrate, and their influence in local level elections is often prohibited.

In Korea, local officials collect revenue, so they have an idea as to what they contribute to the nation's coffers, but this may have no relation to what they receive after national redistribution. In addition, the lack of information transparency over fiscal issues gives rise to two perceptions with serious consequences: first, since the mechanisms for redistribution are often discussed behind closed doors, the perception that political favouritism plays a major role prevails; and second, this gives rise to the expectation that there is always some degree of corruption at the upper echelons of government. These perceptions undermine the ability of local officials to convince their constituencies that they are acting in good faith with the public's best interests at heart, and for fledgling democratic institutions, this lack of trust can be corrosive (Korea 2, 2010).

7. General Observations for Framework Development

At this stage of research, it is difficult to proceed with a sufficient level of confidence to select variables at a finer grain of detail for inclusion in the comparative analysis. However, some general observations can be made at this point in the data collection:

U.S. democratic and market models as drivers. Although the U.S. is by no means the only model of democratic governance with some success at decentralization, the policy-making models often used by East Asian governments wishing to emulate the economic success of the west are predominantly from the U.S. (Gupta, 2010). This may be because of a historic emphasis on managerialism and efficiency in U.S. approaches rather than a focus on legalist and administrative values more prevalent in Europe (Raadschelders, 2003: 187–207). Although this is an oversimplification, it does explain why one of the clear expectations of decentralization is economic gain. A second expectation is transparency; since this is as strongly associated with democratic practices as it is with free market principles (Iwao, 1997).

A model that has not aged well. The economic crisis of 2007 in the U.S. and around the world has taken the shine off the idea that democratic practices and market freedoms go hand in hand. Although this connection has long been contested within academic circles, this has had little practical impact on policy formation or adoption in political circles, both in Japan and Korea. The market crash did more to prompt a re-examination of these models than any amount of academic chiding could.

The explosion of communication technology in East Asia. Twenty years ago, the U.S. was well ahead of most of the world in the development of communication technologies that utilized the Web – today the U.S. lags behind most of the industrialized world in investment in the infrastructure necessary to keep such technologies in top working order. This lag is particularly evident in Korea, where technological advancements have launched investment in communication technologies that would have been unthinkable ten years ago. Japan has also narrowed the gap but not quite as convincingly as many of its regional neighbours (Korea 2, 2010; Japan 2, 2007). This advancement has had huge consequences for the ability of governments at all levels to provide transparency to their citizenry in service provision. As people become increasingly sophisticated in their consumption of information, governments have had to keep up or face distrust and/or unrest among their constituents. Faced with sources of information that are available from beyond their own borders (both national and local), government officials are increasingly aware of how they stack up against other publics. More importantly, the citizenry is more aware, and this has consequences for the legitimacy of government authority. This was certainly put on display in Japan during the aftermath of the March 2011 earthquake/tsunami and is still ongoing. Similar pressures have been placed on South Korea during the torpedo attack and shelling by the North Koreans. What has been interesting has been to note the difference in how the two nations responded to these different crises.

The rise of democratic institutions. Although both Japan and Korea have been holding elections since the post-war period, neither has had what might be characterized as open and fair elections until relatively recently. The challenge to the Liberal Democratic Party's rule of Japan has only recently been made credible, and this has been due in part to its perceived failure to deliver on economic promises made over several decades. In Korea, the rise of a new and rather cheeky free press has given a voice to previously unheard publics, and has allowed for a level of frank discussion of national shortcomings that is quite surprising (Korea 2, 2010). Japan has always supported a vibrant and well-heeled press, but outside of Tokyo, access to information becomes much more difficult. Thus, the skewing of information to national level concerns is due in part to Tokyo's role as both the economic and political centre of Japan.

Increased recognition of separation of business and politics. If the market crash of 2007 taught the Koreans and the Japanese anything of value, it was the necessity of a divide between national political power and large economic

interests. After decades of chiding the Japanese for shoring up a banking system that was overly cosy in its relationships with politicians, and after a very painful restructuring of Korea's economy under order from the IMF, the U.S. has demonstrated that it needs to practice what it preaches. This example has provided more legitimacy to academic prescriptions than could have been hoped two decades ago.

8. Tentative Conclusions and Future Research

The key assumptions of decentralization and its supposed benefits in the U.S. are premised on a mix of understandings about what works best at the local level of government. From a politically pluralist perspective, the idea that local populations should be able to exercise more control over decisions about which they have better information resonates. However, for institutional theorists, such ideas may seem naive and counterproductive. Local governments that lack the capacity, either through information or experience, to deal with the influence of powerful players, either political, economic, or both, often have themselves overwhelmed. In many cases, this has meant that the anticipated benefits of decentralization have bypassed those local units that might have benefited most from redistribution of power and resources.

The conditions in Japan and Korea have certainly not meant a restructuring of political power, although there are marked differences from two decades ago. The global economic forces that have raised the East Asia region to new levels of living standards have also threatened the capacity of both countries to deal with growing disparities between urban and rural areas. Decentralization has in some ways provided a mechanism for easing that transition. Nevertheless, it will not serve as a means of stopping or slowing the urbanization rates, even if this is one of the expectations of decentralization efforts.

The missing piece of the East Asian puzzle is the role that China will play. Its size and ambitions (and rocky history in the case of Japan) mean that its omission from this discussion is key. Future research on the impact of decentralization in East Asia must include a discussion of China and its own attempts to decentralize. Here, the role that information plays in local governance will be even more important than in either of its closest neighbours, and decisions made by local officials will play an increasingly visible role in structuring national priorities.

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TEXTBOOK VS. PRAXIS: COMPARATIVE LESSONS IN
POLICY-MAKING AT THE LOCAL LEVEL
IN EAST ASIA

Summary

In the United States, there are multiple models of policy-making, some more well-known than others (Lasswell, 1951; Peterson, 1991). In general, these models have a normative basis that equates pluralist systems of democratic governance with economic free market systems. Thus certain political configurations, such as decentralized government structures, are assumed to have economic benefits. Such assumptions do not necessarily appear in European models of decentralization. This paper lays out the U.S. intergovernmental models, and then examines some of the key assumptions of such models. It is then examined how such models fare in the local policy-making environments of Japan and Korea under the decentralization programs of the late 1990s and early 2000s. This examination highlights a marked difference in the understanding (and enactment) of the decentralization of policy-making between the U.S. and East Asia. Finally, some of the decentralization efforts in Europe are compared with both U.S. and East Asian approaches, and still unique conditions are found in East Asia that demonstrate growing rifts between the centre and the peripheries.

Key words: policy-making, intergovernmental models, decentralization, local government, United States of America, Japan, Korea, East Asia

TEORIJA NASPRAM PRAKSE:
KOMPARATIVNE LEKCIJE IZ OBLIKOVANJA POLITIKA
NA LOKALNOJ RAZINI U ISTOČNOJ AZIJI

Sažetak

U SAD postoje višestruki modeli oblikovanja javnih politika, neki poznatiji od drugih. Općenito, ti modeli imaju normativnu osnovu koja izjednačava pluralističke sustave demokratske vladavine s ekonomskim sustavima slobodnog tržišta. Tako se pretpostavlja da određene političke konfiguracije, kao što su decentralizirane strukture vlasti, daju određene ekonomske rezultate. Takva se pretpostavka nužno ne pojavljuje u europskim modelima decentralizacije. U radu se obrazlažu američki modeli odnosa među vlastima te se ispituju neke ključne pretpostavke tih modela. Nakon toga se analizira kako takvi modeli djeluju pri oblikovanju javnih politika na lokalnoj razini u Japanu i Koreji u uvjetima programa decentralizacije kasnih 1990-ih i ranih 2000-ih. Analiza naglašava značajnu razliku u razumijevanju i ozakonjivanju decentralizacije oblikovanja javnih politika koja postoji između SAD i istočne Azije. Na kraju se uspoređuju decentralizacijski naponi u Europi s pristupima u SAD i istočnoj Aziji i nalazi da još uvijek postoje jedinstveni uvjeti u istočnoj Aziji koji pokazuju rastući jaz između centra i periferija.

Ključne riječi: oblikovanje politika, modeli odnosa među vlastima, decentralizacija, lokalna samouprava, SAD, Japan, Koreja, istočna Azija