

Building Trust in Government in North and East Asia:

China, Japan, Korea, Mongolia and Vietnam

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1. Abstract

Over recent decades, trust has become a major worry for many scholars and officials,, many of whom think that the declining trend of the public's trust in government has become a global phenomenon (Etzioni and Diprete, 1979; Putnam, 1995; Seligman, 1997; Hardin, 2006).¹ According to the American National Election Studies (ANES), for example, while there have been some fluctuations, the American citizenry has little confidence in government and the degree of trust has declined over time. Consequently, much of the current wave of work on trust in the advanced countries has been directed at understanding apparent changes in trust over time (Pharr and Putnam, 2000; Hardin, 2006; Putnam, 1995, 2000).

Why is trust in government declining? Some say that the people have changed and the social organization of our lives has changed so that people are more skeptical of government (Etzioni and Diprete, 1979; Hardin, 2006). Others say that styles of politicians have changed and the underlying political issues have changed in ways that reduce confidence in government (Manin, 1997; Hardin, 2006). Berman (1997) also asserts that cynicism toward government is largely a function of trust and social capital. The relationship between government and its citizens has been strained for various reasons: (1) the Citizenry feels as though public officials abuse their powers in the interest of self-aggrandizement; (2) citizens feel disconnected from government; (3) government service delivery is perceived to be inadequate; (4) government systems are ill functioning.

Nye and his associates (1997) explored the roots of mistrust in terms of the

¹ Trust is a complex construct and well documented researches (Blind, 2006) on trust can be found in the UN/DESA's website at http://www.unpan.org/directory/conference/guest/browseoneconference.asp?conference_id=2030/.

government's current scope, its actual performance, and citizens' perceptions of its performance. They assessed many possible explanations that have been offered for the decline of trust, including the end of the Cold War, elevated expectations following World War II, a weakened economy, the effects of globalization, resentment over political scandals, and the incompetence of bureaucrats.

The low trust of citizens in government is not just a problem in Western countries. It is also a serious problem in North and East Asia. For example, the level of public trust in government has gradually declined in Japan and Korea.² Therefore, it is timely to examine major factors related to public trust in North and East Asian countries. There might be numerous factors which affect trust in government, but we can not deal with all of them. The number of factors must be limited for practical research. In an institutional and public governance perspective, the following key factors are chosen for this study: quality of electoral and parliamentary process, decentralization and local governance, service delivery and access, civil society engagement, civil service reform, judicial system and access to justice, and transparency and corruption. Accordingly, this paper is organized in examining those issues in North and East Asia, namely, China, Japan, Korea, Vietnam, and Mongolia.

The first section provides a brief review of socioeconomic and political changes that have taken place in the region over the past few years, along with discussion of the changing role of the state in the context of globalization in the region, and the findings of various surveys on trust in government in the region. The second section reviews the ways electoral and parliamentary systems are working and the extent to which the people perceive that these institutions are conducive to promoting trust in government and the role of political parties. The third section discusses issues of decentralization and local governance in looking at to what extent these systems have brought the government and citizens together and how effective these institutions are. The fourth section reviews the delivery of public services and access to services in looking at what are the constraints that limit the access of a large percentage of the population to these services and in what ways the lack of access to services impedes trust in government. The fifth section deals with civil society's engagement in looking at what role the civil society organizations (CSOs) are playing in economic and political development and

² The Japanese source is the Prime Minister Office's Public Opinion Survey Data on Society and State in each year (Central Research Service, 2004). The Korean source is a research report of the Korea Development Institute (2006) on Social Capital.

what are the capacities of CSOs and how CSOs and the government work together. The sixth section reviews various civil service reforms over the past few years in discussing the extent to which these reforms have been effectively implemented and changing patterns of relationships between civil servants and citizens at local levels. The seventh section examines what the capacities of the judicial system are, to what extent the judiciary is independent, and to what extent the citizens have access to justice. The eighth section deals with transparency and corruption issues based on various resources such as the degree of freedom of media; ranking of various countries on the Corruption Perception Index of Transparency International. Finally, summary and conclusion are followed.

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2. Introduction

This chapter provides a brief review of socioeconomic and political changes that have taken place in the region over the past few years along with discussion of the changing role of the state in the context of globalization in the region and the findings of various surveys on trust in government in the region.

1) A Brief Review of Socioeconomic and Political Changes

Asia is home to some of the most, as well as some of the least, competitive economies. Among North and East Asian countries, China's performance has been remarkable in recent years. Consistent with the cautious macroeconomic management of its authorities and high GDP growth rates, China has adopted the "five-year-plan" strategy for economic development, and has implemented five-year plans several times since 1953, laying a solid foundation for China's economic development. During the 10th Five-Year Plan (2001-2005), China's average GDP growth reached 9.5 percent. China's rapidly growing market has attracted large volumes of foreign direct investment in recent years, as transnational corporations have invested heavily in order to benefit from the country's emerging middle class, and its higher purchasing power. However, as the country is not addressing its many structural problems and institutional shortcomings quickly enough, their long-term effects may be partly disguised by the booming economy (IMD, 2006).

Japan has a high-quality infrastructure, efficient markets and well-educated workforces, but the Japanese economy has not performed well for the last ten years. The problems of the past decade are the direct consequence of the speculative bubble in the stock market and real estate market. Compounding the impact of the asset bubble and its collapse was a series of economic policy blunders (Lincoln, 2002). Japan is now recovering from a recession. The last couple of years have seen a few tentative signs of an economic recovery. Land prices in some areas, especially the major city centers, have shown increases. Employment has crept back up. However, a number of challenges, mainly in the management of public finances and market efficiency remain in Japan (IMD, 2006). Furthermore, various changes were evident in the political economy over the course of the decade. The Liberal Democratic Party (LDP), the ruling party since 1955, saw an end to its uninterrupted hold on power in 1993 and the bureaucracy also came under

heavy fire amidst several policy failures.

Korea approaches world class levels in certain areas, such as macroeconomic management, school enrollment rates, penetration rates for new technologies, and levels of scientific innovation. South Korea has witnessed significant political liberalization since 1987, including freedom of the press, greater freedoms of expression and assembly, and the restoration of the civil rights of former detainees. However, Korea continues to be held back by a number of weaknesses in the area of institutions, both public and private. As for levels of transparency and openness, and the impartiality of public sector officials in their dealings with the business community, Korea has not yet reached global standards (IMD, 2006). The Korean economy was hit hard by the financial and currency crisis of 1997 so that the Korean government initiated bold reforms in the government, business, banking, and labor sectors. In order to enhance its global competitiveness particularly, the current administration put a high priority on public sector reform among various presidential agendas.

The Vietnam government launched an all-round renovation process (*Doi Moi*) following the general development trend and the process of gradual globalization and regionalization since the mid-1980s. The 6th Congress of the Vietnam Communist Party in December 1986 self-criticized its mistakes in the past years, assessing carefully its achievements, analyzing drawbacks, setting forth an all-round renovation policy. Top priority was given to economic reform for creating a multi-sector market economy regulated by the Government, at the same time consolidating the legal environment and renovating the Party's and the State's structure. Since then the Vietnamese economy has become open and has transformed from a centralized planned economy, heavily based on imports, to a market-oriented one. With the renovation process, Vietnam step by step surpassed many difficulties and hindrances, to achieve great results. The political situation has remained stable, thus actively facilitating the *Doi Moi* process. Now, Vietnam has established diplomatic relations with nearly 170 countries. Since 2001, Vietnamese authorities have committed to economic liberalization and enacted the structural reforms needed to modernize the economy and to produce more competitive, export-driven industries.

Mongolia has experienced a transition from a centrally planned economy to a market economy over the past couple of decades. Mongolia has made considerable progress over the last ten years. Efforts for strengthening the outcome of the struggle for

democracy have been undertaken persistently since the year 1990 in Mongolia. The historical outcomes of the elections were the establishment of a standing parliament named the State Great Khural to be the highest authority of a democratic state. This was the culmination of the Mongolian people's democratic movement of the 1990s, which resulted in the right to elect and be elected in compliance with democratic laws. Recent economic performance has been robust, with broad-based growth, declining inflation, a growing budget and balance of payments surpluses, and improving confidence in the banking system. The minerals sector has been a key engine of growth, supported by record high prices for copper and gold.³ As incomes have grown, the expansion has spilled over to other sectors of the economy, including construction, financial services, and the retail sector. Despite these significant achievements, poverty remains high and much remains to be done to achieve the Millennium Development Goals.

(2) The Changing Role of the State: The Case of South Korea

As a result of globalization (increasing global connectivity, integration and interdependence in the economic, sociopolitical, technological, cultural, and ecological spheres), more economic interdependence, increased cultural influence, rapid information exchanges through information communication technology (ICT), and geopolitical challenges are salient in the region. Like many other countries in different regions, the role of the state changed from central planning, to facilitation and arbitration. Although the situation in China and Vietnam might be somewhat different, the state in general is no longer merely planning and controlling but it is putting in place regulations facilitating the work of producers and undertakes arbitrary settlements whenever required. Moreover government policies can no longer be implemented in isolation at the local or national level. All policies now are influenced by the increasingly constrained global economic, political and cultural factors that influence sociopolitical aspects, the flow of information of economic resources, and therefore the well-being of nations.

On the government side, there can be seen a diminishing role of the head of state in many countries. For example, the role of President in South Korea is certainly diminishing. The imperial presidency has been replaced by an institutional presidency, with a corresponding diminishing role of the state. The South Korean government used

³ For more details, visit Mongolian government organizations' websites at http://www.pmis.gov.mn/gov_eng.htm.

to be an administrative state, but lately it has been slimming down substantially. That is the current direction of South Korea whether it is appropriate or not. The role of traditionally powerful agencies (i.e., military, law enforcement, and intelligence agencies) is also diminishing, declining, or re-positioning from the public setting. At the same time there is an increasing role of the private sector as well as an increasing role of the citizens and civil society, plus an increasing role for the judiciary and the legislative bodies. Where in the past, particularly in the 1970s, the legislative bodies were just like a rubber stamp for Executive policy, now they are quite provocative and an important part of policy making. Thus there is evidence of such governance change in South Korea as shown in Table 1. The most influential organizations and their relative positions of influence and trust in Korean society have been studied by the East Asia Institute (EAI) since 2005. The national opinion survey was conducted by the EAI based on a random sample (1543 men and women over 18-years-old in Korea) in mid 2005 and mid 2006. The EAI first identified the most influential and trustworthy organizations and it came up with about 24 leading organizations including major companies, governmental agencies, political parties, courts and prosecutors, labor unions, and civil society. After that, the EAI asked how much each respondent sees as the degree of influence and trust of each organization in Korean society (EAI, 2005, 2006). According to the EAI's report, it showed the most influential and trustworthy organizations in 2006 are Hyundai Automobile, Samsung and SK Company, followed by LG and the Constitutional Court. No government agency was included in the top three categories of the most influential and trustworthy organizations in Korean society.⁴ Typically in the 1970-90s, people thought the Office of the President was the most powerful and influential organization. However, as shown in Table 3, the Office of the President is not in the top ten list.⁵ Now the most influential or trustworthy organizations are in the private sector: Hyundai, Samsung, SK and LG, followed by the courts (the Constitutional Court and the Supreme Court) and a few law enforcement agencies (police and prosecutor). The Blue House (Office of the South Korean President) is nowhere on this table, while the Constitutional Court, the Supreme Court and a few law enforcement agencies are part of the top ten list. In particular, the

⁴ *The Joong-Ang Daily*, one of the leading Korean newspapers, reported it on its front page on 15th August 2006.

⁵ The influence of the Office of the President (popularly known as the 'Blue House') was ranked in 13th place in 2006 and 11th in 2005, while the trust of the Office of the President was marked as 21st in 2006 and 19th in 2005 (*Joong-Ang Daily*, 2006); and EAI, 2006).

Constitutional Court received great attention in Korea's national politics.⁶ Another interesting development would be the rise of civil society. For example, the People's Solidarity for Participatory Democracy (PSPD) was ranked as one of the top ten trustworthy organizations in 2005. This is quite an interesting phenomenon and it is fair to say that national governance is changing in South Korea. In other words, the influence and trust of government agencies has declined while the courts and law enforcement agencies have gained more trust over time.

Table 1. Most Influential and Trustworthy Organizations in Korea

Rank	Influence in 2006	Influence in 2005	Trust in 2006	Trust in 2005
1	Hyundai Automobile	Samsung	Hyundai Automobile	Samsung
2	Samsung	Hyundai Automobile	Samsung	Hyundai Automobile
3	SK	Constitutional Court	SK	SK
4	Constitutional Court	SK	LG	Constitutional Court
5	LG	Supreme Court	Constitutional Court	LG
6	Police	LG	Supreme Court Police	Supreme Court
7	Prosecutors	Prosecutors		Police
8	Supreme Court	Police	Federation of Korean Industries	People's Solidarity for Participatory

⁶ The framers of the Constitution adopted, in addition to the Supreme Court, an independently specialized court established in 1988, based on the European model, in order to fully protect the people's fundamental rights and effectively check governmental powers. The functions of the Constitutional Court include deciding on the constitutionality of laws, ruling on competence disputes between governmental entities, adjudicating constitutional complaints filed by individuals, giving final decisions on Impeachments, and making judgments on the dissolution of political parties. Its homepage in English is: <http://www.ccourt.go.kr/english/index.htm>.

				Democracy (PSPD)
9	National Tax Service	Federation of Korean Industries	National Tax Service	Prosecutors Lawyers for a Democratic Society (Min- byun)
10	Federation of Korean Industries	National Tax Service	Prosecutors	

Source: East Asia Institute (2005, 2006).

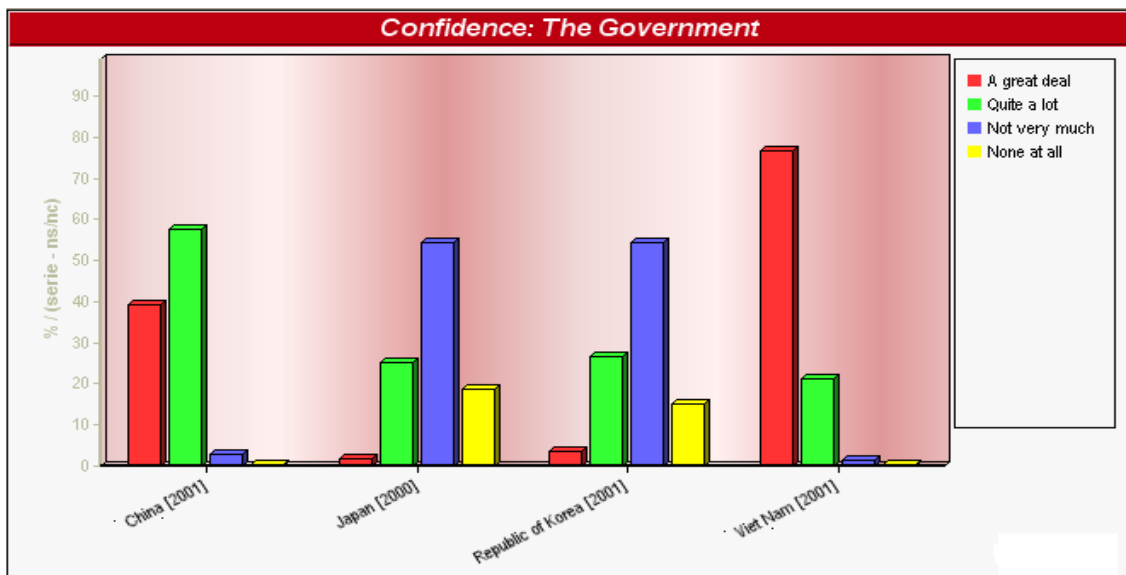
(3) The Findings of Various Surveys on Trust

The World Values Survey is a worldwide investigation of sociocultural and political change. Interviews have been carried out with nationally representative samples of the public, of more than 100 societies, on all six inhabited continents. A total of four waves have been carried out since 1981 making it possible to carry out reliable global cross-cultural analyses and analysis of changes over time.⁷ According to the World Values Survey data (1999-2004), the degree of confidence in the government in Japan and Korea is not high, but the degree of confidence in the government in China and Vietnam is relatively high. Particularly, the level of confidence in the Vietnamese government is very high as shown in the figure. In general, responses on public issues, particularly government-related issues, in the socialist countries have been relatively high and this tendency should be considered for further interpretation.⁸ It might be a reflection of party mobilization in socialist countries.

<Figure 1> Confidence in Government

⁷ For more details, visit the World Values Survey's website at <http://www.worldvaluessurvey.com/>.

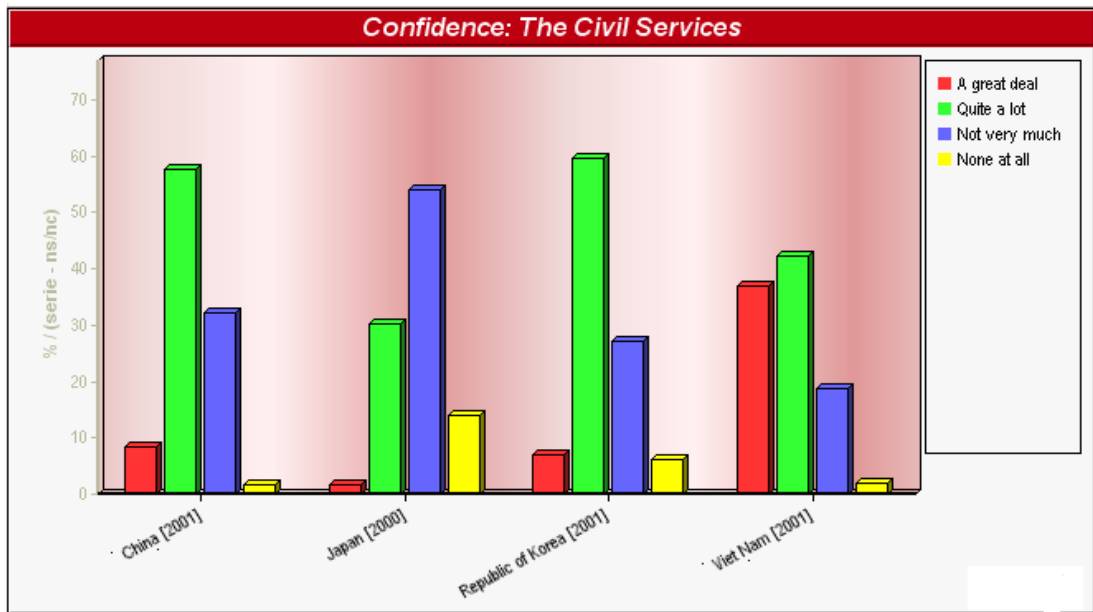
⁸ Mongolian data was not included in the World Value Survey in 2001.



Source: World Values Survey (2006).

Interestingly, the degree of confidence in the government in Japan and Korea is low, but the degree of confidence in the civil service is relatively high in both countries, as shown in Figure 2. In China and Vietnam, the degree of confidence in the civil service is high, but it is relatively lower than the level of confidence in the government.

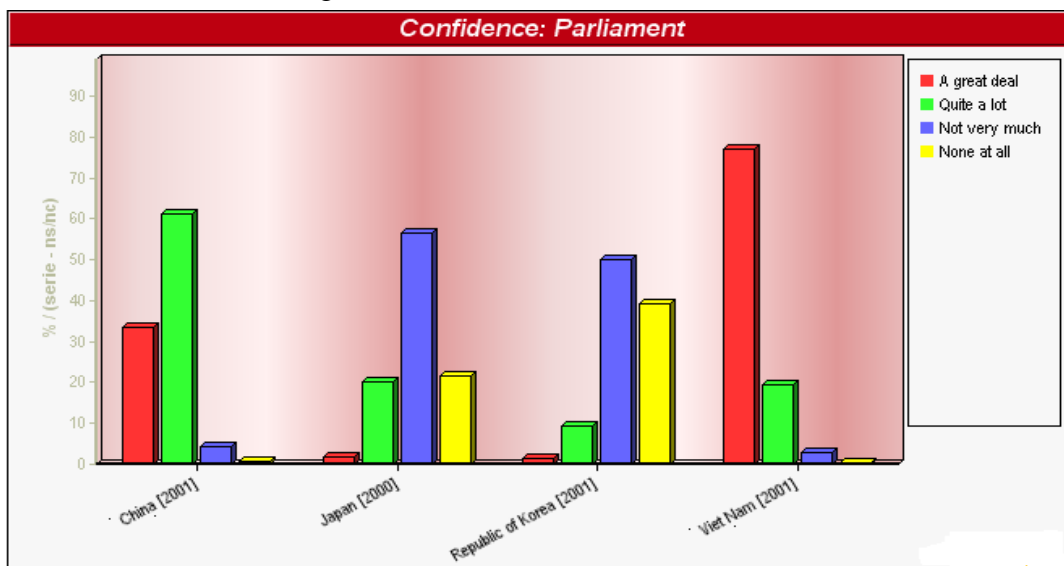
<Figure 2> Confidence in the Civil Service



Source: World Values Survey (2006).

Meanwhile, the level of confidence in the parliament in both Japan and Korea is low, but it is higher in both China and Vietnam. Particularly, it is very high in Vietnam as shown in Figure 3. Communist party members in China and Vietnam are leading cadres in both countries so that high confidence might reflect such sociopolitical characteristics.

<Figure 3> Confidence in Parliament



Source: World Values Survey (2006).

In Korea, trust in public institutions varies significantly. Educational institutions and

civil societies received the highest score (5.4), followed by military and media (4.9), large corporations (4.7), trade unions (4.6), police agency (4.5), courts (4.3), and prosecutor's office (4.3). However, the National Assembly received the lowest score (3.0). Government and political parties also received the second lowest score (3.3) (Korea Development Institute, 2006).

3. Electoral Systems and Parliaments

This section reviews the ways electoral and parliamentary systems are working and the extent to which the people perceive that these institutions are conducive to promoting trust in government and the role of political parties.

Comparative studies on elections and electoral systems in Asia are scarce because the Asia-Pacific area is highly heterogeneous. Accordingly, it is hard to compare or generalize electoral and parliamentary systems in North and East Asia. Japan, Korea and Mongolia are capitalist countries, while China and Vietnam are socialist countries where communist parties are still predominant in national affairs. There are great differences in the national conditions of the various Asian countries, and they have a great variety of different political systems and of political parties in these systems. In China, as socialist democracy has become more deeply established, the system of multiparty cooperation under the leadership of the Communist Party of China (CPC) has developed rapidly. Like China, the Communist Party of Vietnam is the sole political party in Vietnam. Japan and Korea, however, have multiparty systems and Mongolia introduced the multiparty system in the late 1980s.

Table 2 provides an overview of the recent parliamentary elections in the 61 relevant countries. The results are informative in several respects: (1) the majority of countries (including Japan, South Korea, and Mongolia) have free and competitive elections; (2) Some countries hold multi-candidate parliamentary polls, but these do not comply with the international standards of free and fair elections (semi-competitive); (3) the type of non-competitive elections formerly in use in the communist systems is still present in seven Asian countries (including Vietnam); and (4) there are at least 13 countries (including China) that hold no parliamentary elections at all, seven of which have not ever seen a general election (Nohlen et al., 2001: 10-11).

<Table 2> Competitiveness of Recent Elections in Asia and the Pacific

Region	Competitive	Semi-Competitive	Non-Competitive	No Elections
Middle East	Israel Lebanon Turkey	Iran Jordan Kuwait Yemen	Iraq Syria	Bahrain Oman Qatar Saudi Arabia UAE
Central Asia	Armenia Georgia	Azerbaijan Kazakhstan Kyrgyzstan Tajikistan Uzbekistan	Turkmenistan	
South Asia	Bangladesh India Nepal Sri Lanka		Maldives	Afghanistan Bhutan Myanmar Pakistan
South East Asia	Cambodia Indonesia Philippines Thailand	Malaysia Singapore	Laos Vietnam	Brunei
East Asia	Japan South Korea Mongolia Taiwan		North Korea	China
South Pacific	Australia Cook Islands Fiji Islands FS Micronesia Kiribati Marshall Islands Nauru New Zealand Palau Papua NG Samoa			Solomon Islands

	Tonga			
	Tuvalu			
	Vanuatu			

Source: Nohlen et al. (2001), p. 1.

In China, the National People's Congress (NPC) is the highest organ of state power and it elects the President for a legal term of five years, and appoints the Prime Minister with the consent of the President.⁹ The National People's Congress in the People's Republic of China has been elected in an indirect manner (Li, 1998). In other words, the NPC is indirectly elected every five years by the People's Congresses of the sub-national territorial entities (23 provinces, five autonomous regions, four municipalities under control of the central government, the Special Administrative Regions of Hong Kong and Macao) and by the People's Liberation Army (PLA). The Constitution states that members of national minorities have to be represented in Parliament according to their respective share of population, with each minority being allocated at least one seat (Nohlen et al., 2001: 351). However, the 1998 Organic Law of Village Committee provided for competitive local elections, meaning that there are to be more competitive candidates than seats. Although there are some different stipulations about the term of office of the Committee members and procedures of nomination in each individual province, the law rules out a nomination monopolized by the CCP. In several localities, more than 50 percent of the newly elected local deputies are not CCP members (Nohlen et al., 2001: 350). The introduction of competitive village elections can be considered a significant step toward the further development of political participation in China. However, China's citizens can still only vote at local level, and not at regional, provincial, or even national level (Shi, 1999). China's leaders began an experiment of holding elections at the village level, but the village elections are held under the control of the local Communist Party organizations (Jeffries, 2001).

In Japan, the Public Office Election Law of 1950 contains the electoral provisions for all the elections of public officers in Japan and it has been reformed on several occasions since then (Reed, 1996; Kishimoto, 1997). Japan has a bicameral system: the House of Representatives and the House of Councillors. Members of both houses are

⁹ For more details, visit the National People's Congress at <http://www.china.org.cn/english/27743.htm> or the Chinese Central Government's website at <http://english.gov.cn/>.

elected by universal adult suffrage. As of the last general election, the membership of the House of Representatives was reduced from 500 to 480 (Public Offices Election Law, revised February 2000). The four-year term is unchanged. For the House of Representatives with 480 members in a regular four-year term, 300 seats are distributed in single-member constituencies by plurality, the remaining 180 seats by proportional representation in 11 multi-member constituencies with closed party lists. The House of Councillors membership is 252, with half of its members elected every third year for a six-year term. One hundred of the 252 members of the House of Councillors are elected by proportional representation from a single nationwide electoral district. The remaining 152 are elected in 47 prefectural constituencies, each returning two to eight members. As with the House of Representatives, voters cast two ballots - one for a political party (proportional representation) and one for an individual candidate. The minimum age requirement to be a candidate for the House of Councillors is 30, and that for voters is 20 (The World Factbook of the US Central Information Agency, 2006).¹⁰ In Japan, the Liberal Democratic Party (LDP) is a conservative political party and the largest party in Japan, which has been ruling almost without interruption since Japan regained independence after World War II. However, by 1993, the end of the miracle economy and other reasons (e.g. Recruit scandal) led to the LDP losing that year's election, ending a 38-year reign over Japan. The winners, made up of opposition parties, formed a government under the liberal Japan Renewal Party. In 1994, however, the Socialists and New Party *Sakigake* left the ruling coalition, joining the LDP in the opposition. The remaining coalition of liberal parties tried to form a minority government. This collapsed in 1994, when the Japan Socialist Party (JSP) formed a majority coalition with its former arch-rival the LDP. The LDP was thus returned to power, although it allowed a Socialist to occupy the Prime Minister's chair. By 1996, the LDP was returned to power as a majority party. The LDP remains the largest party in both houses of the Diet (Hayes, 2001).¹¹

In South Korea, there are currently 299 seats in the National Assembly. Among those seats, 243 seats are distributed by plurality in single member constituencies, and 56 seats are distributed by proportional representation to closed and blocked party lists in one national constituency. In the elections for the 17th National Assembly, held on April

¹⁰ For more details, visit the House of Representatives' website at http://www.shugiin.go.jp/index.nsf/html/index_e_guide.htm or the House of Councillors' website at <http://www.sangiin.go.jp/eng/index.htm>.

¹¹ For more details, visit the LDP's website at <http://www.jimin.jp/jimin/english/index.html>.

15, 2004, out of a total of 299 seats, the ruling Uri Party won 152, the main opposition Grand National Party 121, the Democratic Labor Party 10, the Millennium Democratic Party 9, the United Liberal Democrats 4, and others, 3. Election results included the following: the Uri Party secured a majority of seats, shifting party dominance from the opposition camp to the ruling camp; the Democratic Labor Party won its first-ever seats in the National Assembly in Korean constitutional history, due to the “Proportional Representation System”, a newly-adopted election system; and 211 out of 299 elected candidates were first-term members. Finally, the proportion of elected members in their 30s and 40s rose by 43%, while the proportion of female members rose by 13%.¹² However, a large number of congressmen recently withdrew their membership from the ruling party, the Uri Party, and they try to make the unified party against the strong opposition party (the Grand National Party).

Vietnam is now a socialist country under the leadership of the Vietnamese Communist Party. According to the amended 1992 constitution, the Communist Party is “the force leading the State and society.” The National Assembly, which includes 498 members and is open to non-Party members, is the supreme organ of state and the only body with constitutional and legislative power.¹³ According to the constitution, Vietnam’s legislature, the unicameral (single-house) National Assembly is the “highest organ of State power” in Vietnam. It possesses sole power to pass legislation and to amend the constitution. It is composed of 498 deputies, elected for five years by all citizens over 18 years of age. In the past, it served as a rubber stamp for decisions already reached by the Communist Party. Recently it has begun to adopt a more independent position on issues of direct concern to the Vietnamese populace. The President of the State and the Prime Minister are elected by the National Assembly. The President has the right to nominate candidates for a number of key positions including the Chief Justice of the Supreme People's Court and the Procurator-General of the People's Office of Supervision and Control. Nominees are then approved by the National Assembly. The Prime Minister, who is charged with the day-to-day handling of the Government, has the right to nominate and dismiss the members of his cabinet, though only with the approval of the National Assembly.

Mongolia adopted a new, democratic Constitution in 1992. Mongolia is a young

¹² For more details, visit the National Assembly’s website at <http://www.assembly.go.kr/index.jsp>.

¹³ For more details, visit the National Assembly’s website at <http://www.na.gov.vn/english/index.html>.

democracy with little experience in the conduct of Parliamentary politics. Past parliamentary sessions have been turbulent, characterized by a series of political crises, resulting in several changes of Cabinet, long periods without the selection of a Prime Minister, and a deadlock within the Parliament on critical legislation. Therefore, it is necessary to make the State Great Hural (Parliament) into a democratic governance institution, capable of more effectively conducting its legislative, oversight and representative responsibilities.¹⁴ Recently, the following laws were approved by the Parliament: (1) the Law on Parliamentary Elections in December 2005; (2) the Law on Central Elections Agency in January 2006; and (3) the Law on Local Elections in January 2007. As a result of the new legislation, the General Elections Commission has been assigned with new functions for voters' education and advocacy for election related laws among others. With the adoption of the new law and revisions in the existing ones, the electoral reform part is nearly completed and the General Elections Commission will carry out further development initiatives. The General Elections Commission now needs to focus more on developing the capacity required to enable the proper conducting of national and local elections, proper registration of voters, and strict enforcement of rules relating to eligibility, financing of elections, access to media, and prevention of malpractice and corruption in the electoral process. Recently, the UNDP provided substantial technical assistance for electoral reforms in Mongolia.¹⁵

4. Decentralization and Local Governance

This section discusses systems of decentralization and local governance looking at to what extent these systems have brought the government and citizens together and how effective these institutions are.

Decentralization in East Asia is a complex blend of characteristics in other respects as well. Decentralized sub-national governments have, for the most part, been assigned substantial functional mandates and responsibility over large fractions of total public spending. Even where limited recentralization has taken place (such as in China in 1994), this was a temporary move to improve system performance. So the trend has been mainly toward greater local autonomy—albeit at varying rates. The difficulty,

¹⁴ For more details, visit the State Great Hural's website at <http://www.parl.gov.mn/>.

¹⁵ See the UNDP's project (2004–2006) on “Electoral Reforms for Mongolia” (its summary is available at http://www.undp.mn/new/index.php?option=com_content&task=view&id=21).

however, is that this trend coexists with weak intergovernmental institutional environments which results in generally poor (while in some instances improving) performance of core mandates by most sub-national governments. The overseeing and regulation of the emerging intergovernmental arrangements are undeveloped, and local systems—lacking appropriate bottom-up incentives and human resource capacity—are not in place to take up the slack (World Bank, 2005a).

China has four sub-national levels of state administration (OECD, 2005b): (1) provincial level (31 units comprising 22 provinces,¹⁶ five autonomous regions and four big cities including Beijing, Shanghai, Tianjin, and Chongqing); (2) prefecture level (333 units; most provinces are entirely subdivided into prefecture-level cities, whose governments thus administer large areas of mostly rural character, divided into counties, as well as city districts, but 51 prefectures have a different structure); (3) county level (2,861 units comprising 1,642 counties, 374 county-level cities and 845 districts in higher-level cities); and (4) township level (About 44,000 units including 18,100 mostly rural townships, 20,200 towns and 5,750 street communities in cities).¹⁷ In addition, there are two Special Administrative Regions: Hong Kong Special Administrative Region and Macao Special Administrative Region. The decentralization process occurred in an incremental fashion. Beginning in the 1980s, local governments started assuming increasing responsibilities for economic development. They intervened in the determination of prices, the establishment of new enterprises and the investment of locally accumulated funds. Public spending also was increasingly decentralized, local government becoming responsible for education, health and housing. As local governments kept an increasing share of locally collected taxes, this created an unexpected consequence of “localism,” in which local authorities sought to protect their industries, as these were important sources of fiscal revenues. At the Fourteenth National Party Congress of the Communist Party of China (CPC) in October 1992, Chinese leaders acknowledged the need for recentralization, in order to correct the excesses of the decentralization of the 1980s. However, local governments at county and township levels are still saddled with unusually heavy expenditure responsibilities, including for areas such as education and health. This has led to a large gap between

¹⁶ Taiwan is regarded as one of China’s provinces in the People’s Republic of China. For more details, visit the Chinese central government’s website at http://english.gov.cn/links/content_25073.htm#2.

¹⁷ For more details, visit the following website at <http://chinasite.com/Regions/regions.html> or http://english.gov.cn/links/content_25073.htm#1.

available financial resources and expenditure responsibilities (OECD, 2005b). Although China's lack of democratic institutions may be seen as an impediment to decentralization, the country has some history of sub-national authority because its size has made central control difficult. The provinces, in particular, have long enjoyed a degree of administrative autonomy. The market transition that began in the late 1970s enhanced the sub-national role. As economic reform progressed, changes in the composition of expenditures and relative prices moved the burden of public spending to sub-national governments. These adjustments led to further modifications of government operations, but the country never adopted a formal decentralization policy. Still, by 1993, the central government was only collecting 20 percent of public revenues. This prompted the substantially recentralizing Tax Sharing System reforms in 1994. Public demand for more responsive government and greater entrepreneurial freedom has also shaped central sub-national relations, but formal intergovernmental political reforms have been limited (Zhong, 2003; World Bank, 2005a)...

In Japan, local government is structured along two-tier lines – prefectures (comparable to provinces) and municipalities (comparable to cities and towns). Prefectures are serving wider areas and municipalities are providing local services. The number of prefectures has remained unchanged since the system was adopted during the Meiji Period (1868-1912). Currently, Japan has 47 prefectures including Tokyo Metropolis (Tokyo-to), Hokkai-do Region (Hokkai-do), and 45 other prefectures.¹⁸ However, the number of municipalities has decreased since the end of World War II, mainly to improve their local economy by amalgamating with each other. Many towns and villages amalgamated following the central government's introduction of legislation promoting municipal mergers. This led to improvements in their administrative and financial capabilities, and helped to promote the growth of local autonomy and the urbanization that followed, as Japan entered its boom years (CLAIR, 2004). While the prefectures and municipalities enjoy considerable levels of autonomy in the fields of administration, Japan is a unitary state with no reference to federal structures in its constitution. National financial pressures dictate that local services have to become more accountable for the funds they spend. The government prefers to couch this in the language of 'decentralization' and this means more mergers and more reliance on the private sector.

¹⁸ For more details, visit Japanese Prefectures' website at http://www.nippon-net.ne.jp/search/mapsearch/nn_MapLink.html.

In South Korea, there are 16 provincial-level governments (9 provinces and 7 metropolitan cities), and 235 lower-level local governments (municipal governments), including 72 si (city) governments, 94 gun (county) governments, and 69 gu (autonomous district) governments within the provincial-level metropolitan cities.¹⁹ In June 1995, Korea held direct elections for local and provincial executives (mayors, governors, county executives) for the first time in more than 30 years, an election widely regarded as a huge step for political progress and democracy in Korea. Provincial-level governments, although they have to some extent their own functions, basically serve as an intermediary between the central and municipal governments. The administrative systems within municipal governments are similar to those of the provincial governments. Local governments depend heavily on the central government for funding, for their roles and functions, and budgets.²⁰ Financially, local governments still rely heavily on the central government for several reasons, including a lack of balance in the distribution of revenue sources between the central and local governments and more fundamentally, the poor tax base in many of the local governments. Local governments do not have their own judicial, prosecution, and police systems. These systems belong to, and are operated exclusively by, the central government. Issues regarding local governments have been one of the major areas of reform and this trend will continue in years to come. Moving into the 1990s, the local autonomy system started to be reinvigorated after a long suspension. Local elections and the ensuing reforms revived and strengthened democracy in Korean localities. Positive developments include local democracy, enhanced local government responsiveness to citizens, and citizen's recognition of their rights in local affairs including issues such as regional development and general welfare. Efforts have been made to strengthen local governments' political capabilities in reestablishing the local elections, however, fiscal decentralization has been slower than that of political decentralization. Many local governments have been suffering from fiscal stress due to their lack of fiscal capabilities. Although it is considered that efforts in administrative

¹⁹ For more details, visit the Korea Local Authorities Foundation for International Relations' website at <http://eng.klafir.or.kr/link/lk02/lk02.jsp>.

²⁰ Currently, the police function is under the Ministry of Government Administration and Home Affairs (MOGAHA) and there is no local police system. Establishment of a local police force is now under discussion and it is likely to happen in the near future. As for education, provincial and municipal education offices have been established for the purpose of local autonomy, but the Ministry of Education and Human Resources Development (MOE) still tightly controls them. Public school teachers in Korea are still national government employees and they strongly oppose becoming local government employees (Kim and Kim, 2003; Kim, 2006).

re-engineering, restructuring, retrenchments, and tax reforms including the reallocation of financial sources by the central government can help alleviate fiscal stress, the outcome of fiscal decentralization is still not significant at the present time (Kim and Kim, 2003). With regard to decentralization, PCGID set the principle of “decentralization first, supplement later” in order to expedite decentralization. PCGID set a broad-range of ambitious reform agendas in various areas under the label of roadmaps. Among many reform agendas, the major tasks related to decentralization are as follows: (1) expanding the role of local governments by redistributing authority between central and local governments; (2) strengthening the basis of autonomy for local government; (3) strengthening the accountability of local governments; (4) realizing citizen autonomy by fostering a civic society; and (5) establishing an intergovernmental and inter-regional cooperation system (PCGID, 2003).

Vietnam is divided into 57 provinces and four cities directly under the central government. The provinces are further divided into districts and then villages or communes. At each level, voters elect people’s councils with legislative powers. Localities elect People’s Councils at different levels - province, town, city, district, ward, and commune - in accordance with universal suffrage. The People’s Council elects local executive bodies and the People’s Committees of different levels. These councils in turn elect a people’s committee from among their members to serve as an executive body. In some respects, people’s councils and people’s committees resemble local governments in Western democracies. They have the right to question decisions taken by other governmental organs at their level, but their decisions and actions are subject to review by higher organs of government power. Moreover, decisions by local government organs are normally undertaken in accordance with the instructions of Communist Party committees at that level, although party influence has declined somewhat since the inception of the economic renovation program in the mid-1980s. Party directives are circulated at the local level through the Fatherland Front, a mass association with branch offices at all administrative levels and among various interest groups in the country. Vietnam now has increasingly formalized the sub-national government framework since the mid-1990s. As in China, economic reforms spurred initial progress on intergovernmental reform. The center still exerts substantial control, but sub-national governments have some discretion. Provinces have greater powers, including considerable authority over lower levels. Popular participation and grassroots demand for political voice have grown, but Vietnam remains a one-party state and a fairly centrally driven system. The country has moved forward with its decentralization

framework and conducted some successful policy experiments, but implementation is uneven and additional reforms are required (World Bank, 2005a).

Mongolia is divided into 21 provinces (aimags), which are subdivided into districts, and the big municipality of Ulaanbaatar.²¹ On the next lower administrative level are counties, or *somons*, and town centers. At this basic level, government and economic activity are connected closely, so that the leadership of the *somon* and those of the livestock and agricultural cooperatives operating within the *somon* often are identical. Local governments consist of assemblies (hurals) of representatives who are directly elected to four-year terms. Aimags are established on the basis of geographic boundaries, ethnic groupings, economic conditions, population density, and convenience of administrative control. Somons are the basic units of administration within aimags, and they are where the greatest interaction between government and the people takes place. The Mongolian government is encouraged to re-examine and resolve the following key issues: (1) the respective roles and responsibilities of the different levels of government should be clarified; (2) transparent tax-sharing and/or expenditure transfer mechanisms should be reestablished by central and local governments; and (3) the extent to which new accounting and computing systems will reach down to the various levels of local government should be assessed. The central government should also assist local governments in improving their capacities to manage their own affairs and to hold their own officials accountable. This would be critical for the government to effectively implement the new action plan. Currently, the accountability system is underdeveloped in the provinces (Asian Development Bank, 2004).

5. Public Service Delivery

The fifth section reviews the delivery of and access to services in looking at what the service deficits are; what the constraints that limit the access of a large percentage of the population to these services are; in what ways the lack of access to services impedes trust in government; and what the constraints are.

There are some successful examples of using participatory processes for the formation of local management systems in terms of decentralization, but it must be recognized that

²¹ For more details, visit the official website of the government organizations of Mongolia at http://www.pmis.gov.mn/pro_eng.htm.

knowledge and examples of good practices in this sphere are limited. This requires effective operational linkages between the public sector, private sector, and community-based groups. Therefore, all decentralized systems must pay particular attention to monitoring and evaluation. Apart from regular financial and physical tracking of program performance, the monitoring systems need to assess the participatory processes, transparency, accountability, equity, effectiveness of institutional and operational linkages, and technical aspects of local management regimes. Furthermore, the impact of the institutional arrangements needs to be regularly assessed in order to ascertain whether the welfare of the poor is being adversely affected by resource management regimes. In general, citizens' demands have significantly grown in the past several years, but the overall quality of public service has not substantially improved. Such imbalance resulted in service deficits in public service delivery.

While many North and East Asian countries have strengthened the delivery of public services in recent years, profound problems remain. It is in the areas where these difficulties are concentrated – such as primary health, education, and potable water supply – that sub-national governments in North and East Asia have assumed most of their responsibilities. Performance in these sectors has been mixed. The concern is that if local and intergovernmental systems do not function well, countries are unlikely to sustain positive service-delivery trends, or to reverse negative ones. The equity of service delivery is also a concern. In China, the per-capita locally generated revenue of the richest province is 16 times that of the poorest region (World Bank, 2005b). In Vietnam and Mongolia, own-source revenues are even more skewed. Such disparities can be mitigated by fairly designed systems of intergovernmental transfers.

Service delivery has also suffered greatly from financial difficulties in many countries including Asian countries. The combination of inadequate funding, poorly designed user charging and weak institutions for regulation, transparency and accountability have damaged public service ethics and led to an increase in administrative corruption in social service delivery. Some countries have attempted to establish function review mechanisms in order to redefine the boundaries of the state by abolishing, rationalizing, privatizing or transferring functions of government, and by restructuring and reforming the remaining functions. Over evidence is mixed as to how such processes work in practice (World Bank, 2005a). Almost every sector (i.e., public, not-for-profit, and private) is facing serious challenges: (1) demands for better-quality services; (2) cost reduction; (3) flexibility and choice, and (4) competitiveness. While addressing these

demands, there are also unprecedented advances being experienced in: (1) technology; (2) a changing population and workforce; (3) new skills requirements; and (4) enhanced capabilities for partnerships and new lines of communication. As a result, government and business organizations are experiencing a fundamental restructuring in implementing new approaches to doing business: (1) establish participatory governance including civil-political rights (avoid community failure and elite capture); (2) promote decentralization, autonomy, and devolution: empower citizens and build up complaints channels; (3) institutionalize community participation and citizen engagement (transformation from a paternalistic institution to an engaging partner); and (4) materialize systems, structures, and processes/procedures

In China, many public service units were created as public service providers and non-state involvement in service delivery remains limited in China.. Therefore, public service unit performance is crucial for improving service delivery in the public sector to a level commensurate with China's stated goals of a people-centered development. Past reform efforts, aiming to push public service units into the market, have achieved much, but at the same time introduced undesirable incentives in service delivery. A lot of public service units' funding is raised through charging fees, but also allow for the welfare of staff on top of formal salaries. China's government spending is not low by East Asian standards, but services considered as key to achieving national goals are under-funded, especially in the poorer regions. This calls for better allocation of public resources over services, and across the country. With the rise in income inequality, reliance on user charges for financing service delivery is increasing becoming a barrier to access by the poor. In addition, greater autonomy in revenue generation often was not accompanied by better performance management and the efficiency of public service units also suffered from overstaffing. The management system for state assets needs a major reform to improve a functioning framework (World Bank, 2005a).

In Japan, the general quality of public service delivery is satisfactory. In general, public servants are citizen-oriented, particularly at local levels and Japanese public service is generally well perceived by the general public. However, the "postal privatization" issue is a hot potato these days in Japanese public service delivery. Japan's postal service, which has been a government enterprise for the past 136 years, will be privatized in October, 2007. The current public corporation, Japan Post, will become a holding company with four separate subsidiaries for postal services, savings, life insurance and postal office management. The idea is to allow the new subsidiaries to branch out into

areas where they can compete on an equal footing with other private companies based on market principles. What needs to be resolved is the issue of whether the new financial companies will retain the "government guarantee" that existed in postal savings and postal life insurance. Even after privatization, the government will hold all the shares until the companies go public on the stock exchange. If the new companies adhere to risk management methods used by private companies, they would reduce the amount of their national bonds and divert some of their funds to other assets. However, if they are too keen on selling off the bonds, then bond prices would plummet, and long-term rates would rise sharply. Such a scenario would lead to huge losses and could greatly affect the entire economy. The postal business is facing tough competition from private services, and companies are trying to stay ahead by offering services regardless of the delivery costs, such as late-night parcel deliveries (*Asahi Shimbun*, 14 February, 2007). Japan Post aims to promote efficiency of postal services by integrating its delivery services. However, in doing so, the number of post offices could be reduced before postal privatization. If such things happen, however, some residents (i.e., elderly people, people with disability, and people without proper transportation) might face potential problems (i.e., walk quite long distance from their residence) in terms of access to the post office. To stem the decline in profits, the postal bank plans to offer new businesses, such as housing loans and credit cards as early as next year, a move that is likely to heat up competition with private-sector rivals (*Asahi Shimbun*, 28 April, 2007).

Korean public service delivery has been substantially improved in recent years. Particularly, rapid e-government transformation has taken place in the Korean public sector. With many central and local agencies and related partners focused on delivering: services to citizens, services to businesses, and services between agencies/administrations. The delivery of citizen-centric services requires a platform that allows public service agencies interoperability between data repositories and applications across multiple departments and the revision and streamlining collaborative business processes and delivery of information and transactions through user-friendly portals. Electronic service is commonly delivered through PC communications, the Internet, telephones and kiosks in Korea. The kiosks are located in most municipalities and serve people with a number of certificates. The number of Internet users in Korea stands at about one-third of total population. Public-key cryptography is fast becoming the foundation for e-commerce and other applications that require security and authentication in an open network such as the Internet and intranet. Notable public

services already delivered online include, for example, the National Tax Administration, which has developed an electronic filing system for tax returns and many municipal governments have developed and use an electronic local tax system through which residents pay their local taxes. Moreover, the Public Procurement Service (PPS) of the Republic of Korea won the UN's Public Service Award in the category of Innovations in 2003. PPS has completed the basis for e-procurement by converting procurement operations into e-commerce base. It transformed itself from an "administration-centered" (that is a "rules-bound") agency into a customer-oriented agency.²² It eliminated corruption and irregularities at source by posting procurement-related information on the Internet, thus opening the information to the public and cutting costs substantially every year. In addition, alternative service delivery is widely applied in Korea since late 1990s. Alternative service delivery improves the delivery of services to clients by sharing governance functions with individuals, community groups and other government entities.

In Vietnam, there is a growing attention to the performance and accountability of public service delivery agencies. Most internal accountability measures for public service delivery agencies tend to focus on inputs such as the number of personnel, facilities, and expenditures, rather than the outputs or outcomes. The Government gathers less information about the outcome and quality of service delivery, especially as perceived by users of those services. Various innovations in the health sector have been introduced, such as user fees and fee schedules, social health insurance, establishing province-level Health Care Funds for the Poor to finance free health care for the poor, and Decree 10 (2002) has created a government-wide framework for the managerial autonomy of revenue-raising units (including public hospitals). A number of surveys (e.g. the qualitative household survey done for the 2004 Hunger Eradication and Poverty Reduction programme evaluation) indicate that many "poor" people appreciate the education fee exemptions (Bartholomew et al., 2006). For example, a substantial number of the HEPR beneficiary survey respondents claimed that they would not have enrolled their children in school in the absence of the exemptions (World Bank, 2004). Vietnam needs technical assistance in various regards. The main components of such technical assistance should be to: (1) develop training programs by undertaking a functional analysis of inspectors and researchers, and training needs assessment; (2) implement the training programs; (3) draft necessary laws and regulations to streamline

²² Electronic service delivery is available through the e-government portal at <http://www.egov.go.kr>.

and strengthen the implementation of new initiatives; (4) design and implement a Management Information System for the State Inspectorate, for gathering and synthesizing information, building data base, analyzing and assessing information on inspection, complaint and denunciation settlements, for research and public information; and (5) conducting a public information campaign (World Bank, 2004).

In Mongolia, public policy dynamics in developing countries are much more complex than the simple application of economic logic. It is the larger political economy that often dictates policy choices. It is important to integrate political economy and governance issues in the economic debate on public service delivery. Particularly, the ability of the poor to participate in public service delivery is linked critically to the availability of good services both on the input and output side. Governments therefore have a responsibility to supply the necessary public goods (including the institutions and legal framework) and the market infrastructure for facilitating the emergence of efficient markets for service delivery. Along with such demands, the new Government of Mongolia has defined its Action Plan for the next several years. The main objectives of the Government's activities are to: (1) upgrade the quality of public service to a new level by strengthening the capacity and accountability of public service institutions and civil servants, expanding civil participation at all levels of decision-making and ensuring transparency; (2) deepen legal reforms in all spheres of political, economic and social life and substantially improve standards for ensuring human rights and creating a safe living environment; (3) sustain higher rates of stable, private sector-led economic growth by providing support for access to new markets on the basis of knowledge and information, and by implementing a regional development concept to reduce disparities in development between urban and rural areas; (4) conduct social policy aimed at improving living standards of families and households by providing them with a stable legal environment, adequate infrastructure and a financial environment conducive for accumulating savings, owning, possessing and disposing immovable property such as land and houses; and (5) carry out a human development policy aimed at educating citizens who respect education, culture and their national traditional heritage, and who are highly conscious about protection of the natural environment, values of democracy and their own rights, and who are able to contribute to the development of their country by taking advantage of various opportunities provided by the globalization process (Annex to the Resolution Number 24, 2004 of the State Great Hural, Mongolia).

6. Civil Society Engagement

The sixth section reviews what role the civil society organizations are playing in economic and political development; what the capacities of CSOs are; how CSOs and the government work together; and what the constraints are, including the legal framework, on effective functioning of the CSOs.

The World Bank uses the term civil society to refer to the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations.²³ Civil Society Organizations (CSOs) therefore refer to a wide of array of organizations: community groups, non-governmental organizations (NGOs), indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations. The number of NGOs has recently been growing very rapidly in many countries

Chinese government domination over the economic and social life of its citizens is diminishing over time. Non-profit associations and organizations with varying links to the Communist Party and government have begun to grow as the role of government in society recedes. Chinese civil society organizations (CSOs) are growing in number and engaging in valuable educational work and issue advocacy. The growth of these organizations suggests the gradual emergence of a more pluralistic Chinese society. Of the estimated 153,000 registered social organizations (SOs), most of them are local or county organizations. Less than 2,000 operate at a national level. SOs include academic, professional or trade organizations, as well as voluntary associations of individuals with a common interest. Nongovernmental and noncommercial enterprises (NGNCEs) are nongovernmental service providers, including schools, hospitals, sports organizations, or employment service organizations. Of the 135,000 NGNCEs registered in 2004, 69,000 are educational groups, 28,000 hygiene organizations, 3,139 cultural groups, 5,824 science and technology groups, 3,441 athletic associations, 11,000 labor organizations, 1,275 social service providers, and 546 are legal service centers.²⁴ In addition, there are many grassroots or community-based organizations which are not officially registered or registered as businesses due to difficulty of registration. Many

²³ For more details, visit the World Bank's homepage on civil society at <http://go.worldbank.org/4CE7W046K0>.

²⁴ For more details, visit the Congressional Executive Commission on China's website at <http://www.cecc.gov/pages/virtualAcad/rol/ngosumm.php>.

NGOs are making a significant contribution to China's social and economic development by engaging in public benefit activities such as the environment, health, education, scientific research, cultural services, poverty relief, legal aid, social welfare, and services to disadvantaged groups such as orphans, the elderly, and the disabled. They constitute an important part of an emerging civil society in China.²⁵ However, relevant national regulations continue to hamper their development and limit the emergence of an independent Chinese civil society. While the Chinese government recognizes the value of civil society organizations that provide social services, Chinese authorities fear that these private organizations might emerge as a source of political opposition among disgruntled members of society. Numerous factors hamper the development of Chinese civil society, including a restrictive regulatory environment, lack of funding, and limited capacity for self-governance. Many Chinese civil society organizations continue to suffer from internal weaknesses as well. Chinese civil society organizations may become dominated by a few individuals whose actions are seldom constrained by formal rules. Corruption, poor organizational capacity, lack of planning, and weak institutional continuity, have sometimes also been problems. Over the past decade, the beginnings of a more diverse Chinese civil society have emerged, but its future development depends on removing regulatory obstacles and building organizational and management capacity.

Japan is an advanced industrial democracy with an interventionist bureaucracy, but it differs from many Western democracies in that, despite constitutional guarantees of freedom of association, popular activism has traditionally been significantly curtailed by government regulation and restrictions. An examination of Japan's developing civil society thus raises vital questions regarding the role of the state and of state-society relations in today's world. Perhaps the most striking feature of Japan's civil society over the past century has been the degree to which the state has taken an activist stance toward civic life, monitoring it, penetrating it, and seeking to steer it with a wide range of distinct policy tools targeted by group or sector. How has the state shaped the development of Japanese civil society? State laws and regulations have prevented many independent civic groups from gaining legal status and access to resources and tax exemptions (Hirata, 2002; Schwartz and Pharr, 2003). One means of Japanese influence over civil society is through the types of groups the state favors. The state promotes small community groups, such as neighborhood associations that provide services to

²⁵ For more details, visit the World Bank's homepage on NGOs in China at <http://web.worldbank.org>.

local citizens, through provision of financial incentives. Since the framing of the civil code over a century ago, the Japanese regulatory framework for civil society has promoted the creation of many small local groups, most notably the neighborhood associations, and few large professional groups. At the same time, the state has actively discouraged the formation and operation of independent advocacy groups (Hirata, 2002; Schwartz and Pharr, 2003). The state accommodates to non-state actors when it serves its interest. In Japan, social capitals have been promoted, while pluralist interest groups have been discouraged. This resulted in dual civil society (a situation of members without advocates): many people belong to civil society groups, but few work for them (Pekkanen, 2006). After a century, however, the first major change to this regulatory framework came about in the form of the 1998 NPO Law. The future will likely hold elements of change and continuity, both in good measure. The 1998 NPO Law, 2001 Intermediary Legal Persons Law, and 2001 and 2002 tax reforms are part of self-perpetuating changes that will alter the regulatory framework in Japan. Changes in the political party system and electoral system lie at the root of this progression. By 2004, there were already 16,000 new NPO legal persons in Japan – this in itself is evidence of the importance of liberalizing regulations for the growth of civil society in Japan and thus by extension the importance of regulatory frameworks in shaping civil society (Pekkanen, 2006). However, unless entrenched attitudes regarding the importance of the state in defining the public and the prominence of bureaucrats in the political economy change, administrative guidance and restrictive interpretation of statutes will continue to be a feature of regulatory framework in Japan.

In South Korea, the estimated number of civil-social organizations in Korea is 23,017 as of January 1, 2006, but all of them are not identifiable (Kim, 2006). The NGO Times (2006) published the Encyclopedia of Korean Associations based on the international classification of nonprofit organization (ICNPO), listing many civil-social organizations and their branches. This directory listed 5,556 NGOs and 17,461 associations (education, social welfare and professional/academic associations are the largest groups among associations). In recent history, Korean citizens' movements have contributed greatly to the development of civil society and democratic order through the expansion of citizens' participation in the public sector. Through the presentation of possible alternatives they are shaping the popular consensus to meet the needs of the times, constructively monitoring and criticizing the existing socio-political systems and applying pressure for the sound development of almost all areas of Korean society through the mobilization of mass media attention and ICT applications. Many activities have been carried out not by

a single NGO, but in cooperation with many citizen organizations. Up until the 1980s, many civil organizations under the authoritarian regimes demanded political development including improvements in human rights and democracy. Since the early 1990s, however, civil movements have grown to include almost all issues including environmental protection, quality of life, national reunification, and various other social issues. Such growth of civil-social organizations could be explained by several factors. Among them, two major factors should be acknowledged. First, democratization triggered the development of civic-social organizations. Korea's democratization was accelerated in 1987, when university student protests against the military regime led the regime to submit to a competitive election (Kim, 2002; Kim and Moon, 2003). Second, local autonomy and the movement to localization also affected the development of civil society. In the past, most of these organizations were located in Seoul, but this situation gradually changed. According to the Encyclopedia of Korean Associations (NGO Times, 2006), approximately 55 percent of NGOs were located in Seoul and its suburban areas, while 45 percent of NGOs were founded in local areas. In particular, nearly half of the newly created organizations were established in local areas as the local autonomy expanded. Following the reinstitution of local democratic structures in the early 1990s, the nationwide network of civil society organizations has played an active role in educating local political leaders and citizens for effective political participation and sustainable local development. Other factors that contributed to the development of civil society have been globalization, informatization (ICT revolution), partnership among different sectors, consumerism and citizen empowerment, the emergence of a pluralistic society, and government failure and the shrinking role of governments around the world. Also, distrust of politicians, conversion of democratization movements to civil movements, and the emergence of pro-NGO-oriented regimes including the last two (YS Kim and DJ Kim) administrations as well as the incumbent President Roh Moo-hyun have all affected the development of NGOs in Korea. For the first time in Korean history, the Office of the President, President Roh, created the Office of the Senior Assistant to the President for Civic and Social Agenda.

In Vietnam, a public discussion in one-party ruled Vietnam among Vietnamese and foreigners about the politics of civil society would have been considered too sensitive a few years ago. In Vietnam, policy is mostly formed within the Party and the bureaucracy, while civil society's influence on policymaking is mostly indirect. Vietnam's constitution allows citizens to vote, stand for election if approved by the Party and express opinions, but in reality there might be some limitations on these rights. A few

years ago it was not possible to mention the term 'civil society' because that was generally accepted as sensitive, now people can discuss it (*Reuters*, May 9, 2007). According to a summary of research by the World Alliance for Civic Participation (CIVICUS) and the Vietnam Institute for Development Studies, there were about 2,000 diverse NGOs in Vietnam, many of them engaged in charity and volunteerwork and who were trusted by the citizenry (*Thanh Nien Daily* in Vietnam, May 9, 2007). Cooperation among the groups is still weak and they are having limited impact. The study of the World Alliance for Civic Participation (CIVICUS) and the Vietnam Institute for Development Studies (VIDS) reported that mass organizations under the auspices of the Party but which have become more independent in the last 10 years of market-oriented reforms that have driven rapid growth. It highlighted their strengths and weaknesses and relationships with the ruling Communist Party and the increasingly influential National Assembly legislature. It seems that the doors are opening for advocacy these days. The state and the market where people associate to advance common interests was involved in many of Vietnam's legal reforms. Vietnam is open to business competition, but there would be no political competition at present. Consequently, it seems that civil society in Vietnam is likely to focus first on empowerment and social economic development and not yet on political competition (Norlund, 2007). However, there are growing signs that a civil society is budding in Vietnam. The more people join organizations that have some degrees of independence from the state, the more conducive the political climate is to forming civil society. The embryonic stage of civil society in Vietnam and the continued political concerns and sensitivities around its development makes the task of strengthening this sector a challenge. Engagement in this sector will require the donor community and the government to develop a common shared approach and strategy to support civil society to move from the margins into the mainstream of development practice and debate (Sabharwal and Huong, 2005).

Mongolia has faced challenges in managing for results because of rapidly changing national development strategies, lack of accountability of public leaders, and unpredictable and frequent changes in public management mechanisms such as organizational structure, legal process and the administrative environment. Despite these challenges, Mongolia's civil society has been actively engaged in public management reform and maintains that the country could create a more successful transition if the leaders and citizens efficiently joined their efforts to achieve development results. A significant number of non-governmental organizations (NGOs)

are involved in addressing the issues described above. One the most well-known organizations, the Open Society Forum (OSF), aims to support the active participation of informed citizens in forming public policies as well as monitoring and implementing the progress of these programs. The OSF has developed a number of programs in the past, and the following sections demonstrate the organization's commitment to this issue (Dambadarjaa, 2005).²⁶ In addition, the civil society index (CSI) assessment revealed that the civil society arena in Mongolia is increasingly diverse and vibrant, with a growing number of non-governmental organizations, grassroots groups and social movements. However, it still bears strong traces of the socialist period, primarily manifested in the continued influence of inherited mass organizations, as well as the wide-spread state-centered attitude among average citizens and a significant number of civil society actors. These features and the heterogeneity of the Mongolian civil society have often been obscured, intentionally and unintentionally, by the indiscriminate use of the term 'non-governmental organization' with regard to all organizations formally covered by the 1997 NGO Law, as well as, separate laws for the Trade Unions, Chambers of Commerce, the Red Cross Association and the Apartment Owners' Unions, regardless of the nature of their relationship to the state. When, later on, the term 'civil society' become more popular, its introduction did not add much conceptual clarity to the definition of civil society's boundaries, make-up and the nature of its relationship to the state, family and market. The term was used interchangeably with the existing term 'NGOs', denoting only a small subset of civil society actors as well as referring both to organizations that in fact act as the extension of the state's coercive power as well as citizens' groups that are de facto non-governmental, i.e. independent of the state (Center for Citizens' Alliance, 2006).²⁷

7. Civil Service Reform

Various civil service reforms have been taken place in North and East Asia over the past few years. This section examines the extent to which these reforms have been effectively implemented; changing patterns of relationships between civil servants and citizens at the local levels; what is the impact of the attitudes and behavior of civil servants on promoting or impeding trust in government.

²⁶ <http://www.mfdr.org/Sourcebook/pdf/4aMongolia.pdf>.

²⁷ The Center for Citizens' Alliance's report is available at http://www.civicus.org/new/media/CSI_Mongolia_Executive_Summary.pdf.

Civil service reform is one of the greatest challenges facing government because it deals with people; specifically, the recruitment, retention, promotion, interactions, and evaluation of civil servants. Civil service systems in East Asia are generally seen as efficient and motivated, although greater responsiveness and openness could legitimately be demanded of public administrations in some East Asian countries. However, the situation is quite different in Southeast Asia, where civil service reform is a top priority. The main problem in Southeast Asia is not a demotivated civil service but bloated public employment, a cause and result of overregulation (Schiavo-Campo, 1996). Thus, regulatory simplification and the contraction of public employment could raise economic efficiency and reduce corruption. Recently, borrowing from the goals of New Public Management (NPM)—such as competition, openness, pay for performance, and empowerment—many Asian governments have recently introduced ambitious civil service reform.

In the history of the People's Republic of China, the adoption of the civil service system was the most comprehensive reform of the personnel system. After many changes and revisions, the Provisional Regulations on State Civil Servants, which are based on the Western civil service model while combined with some distinctive Chinese characteristics were signed into effect by then Premier Li Peng in 1993 for nationwide implementation (Tong et al., 1999). Since then, the Chinese Government has undertaken extensive reforms to its civil service system. These have encompassed recruitment and selection, training, appraisal, rewards and punishments, compensation, discipline and other areas. The capacity of the civil service has improved during the past 10 years. However, the capacity improvements may be explained by reasons other than civil service reform, such as by improvements in China's system of education. The rapid expansion of higher education since 1980 has produced a large population that is eligible for civil service employment. As shown in Table 3, the Chinese government conducted various administrative reforms. Each had a different priority, but all contributed to the following broad objectives: (1) to modify the role of the government; (2) to transform the government's organizational structure; (3) to address the problem of over-staffing; and (4) to increase the efficiency of public administration.

<Table 3> Recent Major Administration Reforms in China

1993	CPC "Directions for Implementing the Restructuring of the Party and Government Units". State Council: "Provisional Rules and Regulations on Civil Servants".	Overall objective: Government restructuring for a socialist market economy. <i>Re-organisation and downsizing</i> ; central level: State Council's organs cut from 86 to 59, staff reduced by 20%; local levels: 20-30% of staff cut. <i>Transformation of government functions</i> : focus on economic government function, separating government bodies from profit-making enterprises, strengthened macro-control and supervision. Establishment of a <i>civil service system</i> within three years; reclassification of public sector employees; recruitment, retirement and promotion processes formally established; age limits introduced and rejuvenation of civil service accelerated.
1998	1st Session of the 9th NPC.	Most decisive and thorough <i>re-organisation and downsizing</i> of the bureaucracy; central level: ministries/commissions downsized from 40 to 29; more than 200 bureau-level units cut; proposal to downsize 50% of personnel; local level: major cuts. <i>Functional adjustment</i> of the government to meet the demands of a socialist-market economy, focus on separating government bodies from running profit-making enterprises (by abolishing operational bureaucratic control). Increasing central control and macro-management capacity. Promoting the rule of law.
2003	16th CPC Party Congress (November 2002) 1st session of the 10th NPC (March 2003).	<i>Re-organisation</i> : 28 ministries/commissions; restructuring of administrative competencies; set-up of the State-owned Assets Supervision and Administration Commission (SASAC); the State Development and Planning Commission renamed the National Development and Reform Commission (NDRC); the State Economic and Trade Commission merged with Ministry of Foreign Trade and Economic Cooperation to become Ministry of Commerce (MOFCOM), comprising competencies for domestic and foreign trade management set-up of the China Banking Regulatory Commission (CBRC).

Source: OECD (2005: 15).

Since 1993, the Chinese Government has taken significant steps to reform the country's civil service system, which is still evolving. However, China's civil service system is far from being homogeneous. Central ministries are staffed by many competent and committed employees and conform in many respects to the performance paradigm articulated above, but outside the center the quality of the public service varies considerably (Tong et al., 1999). To simplify, it may perhaps be viewed as two systems: one that is relatively performance-oriented, selects "the best and brightest" through competitive mechanisms, links rewards to performance, and condemns indiscipline and corruption; and another one that de facto operates as an employer of last resort, selects based on many different criteria some of which may be less relevant to the job, ties rewards to positions, and is characterized by relatively high levels of indiscipline and corruption. Considerable evidence indicates that the performance-oriented systems operate primarily at the center and in the richer coastal areas, while the traditional systems operate in the poorer, less developed hinterland. Improving the systems in these poorer areas depends in no small part on improving levels of economic development. Development is most likely with a highly competent and committed bureaucracy (OECD, 2005b).

In Japan the current call for civil service reform has emerged partly as a result of two negative perceptions held by the electorate regarding government bureaucrats. First, Japan's central bureaucracy has a tradition of elitism, dating from the nineteenth century, in which the best and the brightest in the country are encouraged to serve in one of the select corps of the national government. The recruitment system reflects this tradition, ensuring that only these highly talented people become government bureaucrats. Recently, however, a number of shortcomings in this elite bureaucracy have come to light. There have been a number of incidents in which privileged officials have been revealed to be involved in scandals and corruption. Second, Japan's central government bureaucrats have traditionally wielded substantial powers in law-making and national finance. On average, they create more than 90 per cent of the bills that are approved by the national legislature: the elected members of the central legislature appear to all intents and purposes subservient to the national bureaucrats. With regard to the national budget, the role and function of the Ministry of Finance has been almost indispensable: until recently, the Ministry controlled both budget formulation and allocation. Consequently, Japanese lawmakers working for the benefit of either their constituencies or their support groups have usually had to court the favor of the Finance Ministry, seeking preferential treatment (Nakamura, 2005). Consequently, the Hashimoto administration (1996-1998) set up a research commission to examine a possible reform of the existing personnel management system. The commission, composed of twenty prominent members, eventually submitted its final report to the government in March 1997. According to one of the members of the commission, their report was significant because it proposed an extremely radical reform of current practices. Such an overly optimistic remark aside, the report did hasten the former Koizumi government's efforts to draft a plan for changing the personnel management of the central bureaucracy. The Koizumi draft proposed to eliminate seniority-based pay, introducing in its stead a performance pay principle for national public officials. The reform plan also introduced the idea that administrative vice-ministers, the highest-ranking public officials in the central bureaucracy, became responsible for personnel management, in their respective agencies. This represents an important departure from the previous practice, in which the National Personnel Authority exercised a great deal of control over personnel affairs in various offices. The Koizumi draft contends that the past practice tended to dilute responsibility, and that the revised system would clearly make vice-ministers the central locus of personnel control. Similarly, the reform plan limits the role of the National Personnel Authority to three different areas: (1) administering civil service examinations; (2) determining the rate of increase or decrease of annual payment of

officials; and (3) resolving employees' complaints and enforcing impartial personnel administration in the central government. Although these and several other reform ideas have been developed, their implementation has been slow in coming (Nakamura, 2005).²⁸

The Korean central government carried out a bold civil service reform since the late 1990s. As a form of market-based and competition-oriented neo-managerialism, NPM has been widely used to represent administrative reform efforts during the last two decades, though scholars do not agree on its definition. NPM encompasses many public-sector managerial reforms, such as market efficiency, entrepreneurship, and performance-based or benchmarking management. Christopher Pollitt (1993) identifies four major elements of NPM, including the use of market-like mechanisms, decentralization, improvement of service quality, and customer satisfaction. Korea rode this wave in terms of adopting the NPM philosophy and undertaking ambitious administrative reform initiatives. In particular, the Kim Dae-jung administration named the public sector as one of four areas—together with the financial, corporate, and labor sectors—targeted for aggressive reform to cope with the financial crisis of 1997, which immediately preceded his inauguration, and to enhance the nation's competitiveness (Kim, 2000). His administration attempted to initiate urgent reforms that would reshape the government's role and improve the efficiency of the public sector. The administration seemed assured that reforms in the four sectors would solve the country's economic crisis. Kim (2000) summarizes the core objective of the reforms as the formation of a government that would be small but efficient, highly competitive, and customer oriented. To achieve these objectives in the public sector, the government introduced market mechanisms (downsizing, privatization, openness, and competition), performance-based management (pay for performance, agencification), customer satisfaction (service-quality improvement), deregulation, and e-government. In particular, the initiatives for openness and competition, and performance-based management are considered critical for reforming and revitalizing the long-standing closed civil service system (Moon and Kim, 2006). On July 1, 2006, the Senior Civil Service was also introduced into the Korean central government. The members of the Senior Civil Service are required to go through a competitive assessment process and they have to compete for vacant senior posts internally and externally.²⁹

²⁸ For more details, visit the [Japanese] National Personnel Authority's website at http://ssl.jinji.go.jp/top_e.htm.

²⁹ For more details, visit the [Korean Civil Service Commission's website at

In Vietnam, it is necessary to improve efficiency and effectiveness of the public service to enhance transparency, accountability, participation and efficiency. It is important to build a partnership between the public and private sectors and the civil society and the need for a governance structure to minimize the adverse consequences of globalization. Vietnam has in place a Public Administration Reform effort. However, the constraints they face include the lack of modern management methods, cumbersome administrative procedures and organizational structures and a poorly qualified government workforce. A comprehensive legal framework for the civil service system, organizational reforms, definition of clear-cut responsibilities and authorities among agencies and decentralization are among the reform efforts that are being implemented. The Government and the Communist Party of Vietnam (CPV) have given strong signals in recent years to reform the public administration system. The Public Administration Reform (PAR) Master Program, approved in September 2001 following extensive deliberations at the highest levels of the leadership including the CPV, envisages the reform of the entire public administration system by 2010. The agenda for reform and renovation is far-reaching and bold in vision. It includes: (1) replacing cumbersome administrative procedures with more simplified and transparent ones; (2) reducing red tape and corruption; (3) streamlining (downsizing) and better defining the mandates and functions of institutions; (4) reforming provincial and other sub-national administrations and redefining their relations with the center; (5) rationalizing the organizational structure of ministries; (6) raising the quality of public officials (i.e., training and retraining to improve the quality of public officials); (7) undertaking salary reform for public employees; (8) reforming public financial management; and (9) modernizing the public administration system through computerization and e-government initiatives (Asian Development Bank, 2007). The effective implementation of the reform program requires resources including many support measures and further detailed planning, designing and the appropriate sequencing of policy and institutional actions. In the course of the program preparation, active donor coordination has been pursued with international development partners.³⁰

The Mongolian government has adopted a comprehensive public sector reform strategy relying on a new contract-based system to achieve enhanced accountability, governance,

<http://www.csc.go.kr/eng/>.

³⁰ For more details, visit the Vietnamese government's portal at

http://www.chinhphu.vn/portal/page?_pageid=439,1&_dad=portal&_schema=PORTAL.

fiscal management, and professionalism. The approach is embodied in the Public Sector Management and Finance Law (PSMFL), which parliament approved in June 2002 after extensive debate and which has been implemented gradually since January 2003 (ADB, 2004). The Government envisages the existing system of public administration as being replaced by the new contract-based system. The main challenge inherent in this approach is that public administration in Mongolia is characterized by informal markets and arrangements; that is, although elaborate rules and regulations govern the management of public finance and public personnel administration, informal practices diverging significantly from these rules and regulations are the norm. A contract-based system relies on a strong, rules-based government and robust markets, conditions that will require a substantial amount of time to develop in Mongolia. Mongolia's current civil service system, introduced in 1995, is still being institutionalized. The Mongolian government should consider strengthening civil service policy and management institutions, revising relevant laws and regulations, downsizing, and taking additional steps to improve staff morale. In the course of implementation, the reform process has undergone certain stages of evolution and transformations. The public service reform encompasses a number of intricate issues related to human factor, civil society development and level of political culture of public servants. The Law on Public Sector Management and Finance stipulates two main issues concerning human resources management. Firstly, the merit principle to be applied in recruitment and promotion in the public sector, which means only competence, knowledge, and experience should be taken into account. Secondly, implementation of performance management. However, the meaning of the performance agreement was not clearly explained in the Law on Public Sector Management and Finance Law. In practice, there is still some confusion about output delivery agreements or contracts and performance agreements. These two contracts are similar in that both are performance management tools which determine what to be delivered, what criteria to be used and what level to be achieved. But the subjects signing the contract, scope of the agreement and level of responsibility are different. For example, the output delivery and funding agreement is to be signed only by portfolio managers (politicians), and the performance agreement is signed by the portfolio manager and general manager, as well as by the general manager and civil servants. While the output delivery agreement tends to define funding level and outcome indicators, the performance agreement also details outputs and their indicators.³¹

³¹ For more details, visit the [Mongolian] Open Society Forum's website at <http://www.openforum.mn/contents.php?coid=1736&cid=128> or visit the [Mongolian]

8. Judicial System and Access to Justice

The eighth section reviews what are the capacities of the judicial system; to what extent is the judiciary independent; to what extent do the citizens have access to justice. Judicial systems might be established in all countries, but the way those systems operate is a quite different matter in reality.

China's leaders aimed to develop a legal system to restrain abuses of official authority and revolutionary excesses. In early 1980s, the National People's Congress adopted a new state constitution that emphasized the rule of law under which even party leaders are theoretically held accountable. When the drive to establish a functioning legal system began, most of the changes were promulgated in the economic area. The use of mediation committees--informed groups of citizens who resolve most of China's civil disputes and some minor criminal cases at no cost to the parties--is one innovative device. There are more than 800,000 such committees in both rural and urban areas. Legal reform became a government priority in the 1990s. Legislation designed to modernize and professionalize the nation's lawyers, judges, and prisons was enacted. The 1994 Administrative Procedure Law allows citizens to sue officials for abuse of authority or malfeasance. In addition, the criminal law and the criminal procedures laws were amended to introduce significant reforms. The criminal law amendments abolished the crime of counter-revolutionary activity, although many persons are still incarcerated for that crime. Criminal procedures reforms also encouraged establishment of a more transparent, adversarial trial process. The Chinese constitution and laws provide for fundamental human rights, including due process, but these are often ignored in practice. In addition to other judicial reforms, the Constitution was amended in 2004 to include the protection of individual human rights and legally-obtained private property, but it is unclear how those provisions will be implemented. Although new criminal and civil laws have provided additional safeguards to citizens, previously debated political reforms, including expanding elections to the township level, and other legal reforms, including the reform of the reeducation through labor system, have been put on hold (Country profile of China documented by the US Department of State, 2006). Nonetheless, the diminished role of Marxist-Leninist ideology in the judicial examination shows that China has the potential to develop a legal profession that is

government's portal at http://www.pmis.gov.mn/gov_eng.htm. .

more autonomous and independent from politics, at least from the perspective of the judicial examination. In order to practice law one has to pass the very high threshold of a professional examination, and a correct political attitude is not a decisive factor in passing the test. From the content of the judicial examination, one can conclude that access to the legal profession has been relaxed in recent years (Ahl, 2006), and is based on ability not ideology.

Japan's judicial system, drawn from customary law, civil law, and Anglo-American common law, consists of several levels of courts, with the Supreme Court as the final judicial authority. The Japanese Constitution includes a bill of rights similar to the U.S. Bill of Rights, and the Supreme Court has the right of judicial review. The Cabinet appoints judges for 10-year terms and justices of the Supreme Court can serve until the age of 70 but face periodic review through popular referendums (Goodman, 2004). There are several levels of courts, including high courts, district courts, family courts, and summary courts, with the Supreme Court serving as the highest judicial authority. Normally a trial begins at the district court level, and a verdict may be appealed to a higher court, and ultimately, to the Supreme Court. Japanese courts do not use a jury system, and there are no administrative courts or claims courts. Because of the judicial system's basis, court decisions are made in accordance with legal statutes. Only Supreme Court decisions have any direct effect on later interpretation of the law (Background Note of the US Department of State, 2007). As in other industrialized countries, law plays a central role in Japanese political, social, and economic life. Fundamental differences between Japanese and Western legal concepts, however, have often led Westerners to believe that Japanese society is based more on quasi-feudalistic principles of paternalism and social harmony. Japan has a relatively small number of lawyers, compared with the United States. Human rights have also become an issue because of the police practice of obtaining confessions from criminal suspects. Although torture is rarely reported, suspects are placed under tremendous psychological and physical pressures to confess. In several cases, the courts have acknowledged that confessions were forced and ordered prisoners released. The greatest controversy concerning human rights, however, focuses on the social and legal treatment of minorities. Although the Japanese consider themselves to be a homogeneous people, minorities do exist, and they often have suffer severe discrimination (Dolan, 1994)

The Korean Constitution divides responsibility for constitutional review of laws and administrative regulations between the Supreme Court and the Constitutional Court.

The Supreme Court reviews only regulations, decrees, and other enactments issued by the various ministries of other government agencies. The constitutionality or legality of the regulation to be reviewed must be at issue in an ongoing trial. The Constitutional Court has much broader powers. It decides on the constitutionality of laws enacted by the National Assembly when requested by a court to aid in the resolution of a trial, or in response to a constitutional petition, which may be brought by any person who has exhausted available legal remedies. All nine members of the Constitution Court must be qualified to be judges. The president, National Assembly, and chief justice each select three members of the court's nine-member panel. The Constitutional Court began operation in late 1988. Most of the cases heard were constitutional petitions. In a series of major decisions, the court declared unconstitutional a law prohibiting creditors from suing the government, directed the National Assembly to revise a portion of the National Assembly Law requiring independent candidates to pay twice the deposit of party affiliated candidates, declared the Act Concerning Protection of Society unconstitutional, and upheld the constitutionality of a law prohibiting third-party involvement in labor disputes (Savada and Shaw, 1990). The functions of the Constitutional Court include deciding on the Constitutionality of Laws, ruling on Competence Disputes between governmental entities, adjudicating Constitutional Complaints filed by individuals, giving final decisions on Impeachments of the President, and making judgments on Dissolution of Political Parties. As of December 2004, the Court has declared 418 articles of Laws (statutes, presidential decrees, etc.) unconstitutional and revoked about 214 governmental actions.³² Law in Korea has historically been viewed as merely a tool of authoritarian rule, but since the transition to democracy, it has served a more important and visible role today. As mentioned earlier, many government actions turned out to be unconstitutional.³³ Such phenomenon is a new development in South Korea, but it is the consequence of the development of society as a whole, as well as the maturation of Korea's legal community and civil society, not simply because of current regime's failures. Citizens and civil society are likely to increasingly bring various disputes with government actions to the courts for final legal interpretation instead of relying on or complying with public policy or

³² For more details, visit the Constitutional Court's website at <http://www.ccourt.go.kr/home/english/welcome.jsp>.

³³ As of December 2004, the Constitutional Court has declared 418 articles of laws (statutes, presidential decrees, etc.) unconstitutional and revoked about 214 governmental actions. On 14th May 2004, the Constitutional Court dismissed the National Assembly's presidential impeachment request and ruled that President Roh's powers be restored so that President Roh Moo-hyun resumed his presidential duties, which had been suspended for 63 days. For more information, visit the Constitutional Court's homepage at <http://www.ccourt.go.kr/english/index.htm>.

administrative rules.

The Vietnamese Supreme People's Court, the local People's Courts, the Military Tribunals and the other tribunals established by law are the judicial organs of the Socialist Republic of Vietnam. Under special circumstances, the National Assembly may decide to set up a Special Tribunal. At the grassroots appropriate popular organizations were set up to deal with minor offenses and disputes among the people according to the provisions of the law. Trials before People's Courts with the participation of people's assessors and before Military Tribunals with the participation of military assessors are conducted in conformity with the provisions of the law. During a trial the assessors are on a footing with the judges. During a trial the judges and assessors are independent and only obey the law. The People's Courts hold their hearings in public, except in cases determined by law. The Supreme People's Procuracy supervises and controls obedience to the law by Ministries, organ of ministerial rank, other organs under the Government, local organs of power, economic bodies, social organizations, people's and armed units and citizens. It exercises the right to initiate public prosecution, ensures a serious and uniform implementation of the law. The local Offices of Supreme People's Procuracy, the Military Offices of Procuracy supervise and control obedience to the law, and exercise the right to initiate public prosecution within the bounds of their responsibilities as prescribed by law. During the last decade, Vietnam has undergone a massive legislative transformation. Emerging from decades of rule through administrative fiat, reforms now aim to shift economic regulation from government edicts to universally applicable legislative norms and macroeconomic levers. In addition to enacting a legal framework broadly in line with a Continental civil law system and international legal norms, the state is belatedly reconfiguring legal institutions to suit the post-*doi moi* environment. Since it has the potential to radically change both state implementation and social perceptions of law, this kind of institutional transformation should form the focus of further research. From the Vietnamese perspective, the dilemma of law reform is to what extent legal rules can bifurcate to accommodate foreign and domestic investors in the pursuit of industrialization and modernization, while largely ignoring the political side of the legal system (Australian Agency for International Development, 2000).

In Mongolia, the 1992 constitution empowered a General Council of Courts (GCC) to select all judges and protect their rights. The Supreme Court is the highest judicial body. Justices are nominated by the GCC and confirmed by the State Great Hural (SGH) and

president. The court is constitutionally empowered to examine all lower court decisions--excluding specialized court rulings--upon appeal and provide official interpretations on all laws except the constitution. Specialized civil, criminal, and administrative courts exist at all levels and are not subject to Supreme Court supervision. Local authorities--district and city governors--ensure that these courts abide by presidential decrees and SGH decisions. At the apex of the judicial system is the Constitutional Court, which consists of nine members, including a chairman, appointed for 6-year terms, whose jurisdiction extends solely over the interpretation of the constitution (Country Profile of Mongolia, US Department of State, 2006). Mongolia has been undergoing both economic and legal transitions based primarily on its constitution, which was promulgated in January 1992. The constitution and numerous new laws have allowed Mongolia to reform its legal system extensively, and Mongolia has put in place the basic legal structure required for a market economy and the rule of law to operate. Although major revisions of key laws were introduced in 2002, significant gaps remain in the legal framework. The legal and regulatory system is evolving. Reforms of legal education have not remedied this situation. Remedial education for midlevel professionals is available but has not been institutionalized widely. Although those trained before the transition are beginning to be replaced, younger lawyers receive inadequate training because educational funding is limited. Draft laws and government regulations are being made publicly available, but overall a lack of thoroughness in drafting is evident, and accessibility to laws and regulations is inconsistent. Legal professionals need to understand how to put the legal system to work as intended. Misunderstandings and abuse of the exercise of legal power can be found among all elements of the legal system. Police abuse authority on a daily basis, and prosecutors routinely exercise discretion in granting pretrial detention orders. The constitution establishes the authority of the prime minister and ministers to issue what amounts to subordinate legislation. In practice, individual ministries administer the laws and any relevant regulations for which they are responsible. Faults in legislative drafting often lead to a lack of clarity regarding administrative responsibility. The legislative process entails an unnecessary level of secrecy that prevents proper scrutiny of policy options and regulatory procedures under consideration. The accountability of government activity is limited. Information about regulatory actions and the activities of public agencies is provided only to related ministries and the Government. Although Mongolia's legal and judicial systems still bear traces of the socialist system from which they emerged, wide-ranging legal and judicial reform is evident. The judicial system is strained, but the civil law system seems to function reasonably well and the

Government has tried to strengthen enforcement mechanisms. Serious concerns remain about the state of the entire criminal law system (Asian Development Bank, 2004).

9. Corruption and Transparency

The ninth section examines transparency and corruption issues based on the degree of freedom of the press and the ranking of various countries on the Corruption Perception Index of Transparency International and the ways in which corruption, and lack of accountability and transparency, is affecting citizens' trust in government.

The public sector increasingly recognizes that good governance requires the highest standards of public integrity, openness, and transparency, as well as a sound criminal justice system. This can be illustrated by the pervasive effects these factors have on government performance, the use of public resources, the general morale in public services, the legitimacy of the state, and the rule of law. According to the Freedom House's 2007 survey report, press freedom suffered continued global decline. The study, *Freedom of the Press 2007: A Global Survey of Media Independence*, showed mixed trends in Africa, as well as a continuation of a longer-term pattern of decline in press freedom in Latin America and the former Soviet Union. The Freedom House warned a growing effort to place restrictions on internet freedom by censoring, harassing, or shutting down sites that provide alternate sources of political commentary. The *Freedom of the Press 2007* shows both Finland and Iceland ranks the first place. Japan holds 39th, followed by South Korea (66th), Mongolia (79th), Vietnam (170th), China (181) out of the 195 countries and territories examined (Freedom House, 2007). In Asia-Pacific region, Japan ranks 6th, followed by South Korea (12th), and Mongolia (19th), as shown in Table 4. The degree of freedom of the press in both Vietnam and China was much lower than other Asian countries: Vietnam (36th) and China (38th).

<Table 4> The Degree of Freedom of the Press in Asia-Pacific Region.

Rank 2007	Country	Rating	Status
1	New Zealand	13	Free
2	Palau	14	Free
3	Marshall Islands	17	Free
4	Micronesia	20	Free
	Taiwan	20	Free
6	Australia	21	Free
	Japan	21	Free
8	Vanuatu	24	Free
9	Kiribati	26	Free
	Tuvalu	26	Free
11	Nauru	28	Free
12	Hong Kong	30	Free
	Papua New Guinea	30	Free
	Samoa	30	Free
	Solomon Islands	30	Free
	South Korea	30	Free
17	Tonga	31	Partly Free
18	India	35	Partly Free
19	Mongolia	36	Partly Free
20	Fiji	39	Partly Free
21	East Timor	42	Partly Free
22	Philippines	46	Partly Free

Source: Freedom House (2007).³⁴

According to the *Freedom of the Press 2007* (Freedom House, 2007), the Asia-Pacific region as a whole exhibited a relatively high level of freedom, with 16 countries (40 percent) rated Free, 10 (25 percent) rated Partly Free, and 14 (35 percent) rated Not Free. Nevertheless, Asia is home to two of the five worst-rated countries in the world, Burma and North Korea, which have extremely repressive media environments, as well as several other poor performers such as China, Laos and Vietnam, all of which use state or party control of the press as the primary tool to restrict media freedom. Heightened restrictions on coverage, as well as harassment of media outlets that overstepped official and unofficial boundaries, negatively impacted press freedom in Malaysia, China and Pakistan (Freedom House, 2007).

³⁴ For more details, visit the Freedomhouse's website at <http://www.freedomhouse.org/uploads/fop/2007/pfscharts.pdf>.

The annual Transparency International (TI) Corruption Perceptions Index (CPI), first released in 1995, is the best known of TI's tools. It has been widely credited for putting TI and the issue of corruption on the international policy agenda. The TI CPI ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians.³⁵ It is a composite index, a poll of polls, drawing on corruption-related data from expert and business surveys carried out by a variety of independent and reputable institutions. The TI CPI focuses on corruption in the public sector and defines corruption as "the abuse of public office for private gain."³⁶

The CPI 2006 ranks 163 countries in terms of perceived levels of corruption, as determined by expert assessments and opinion surveys. CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt). Leading top ten countries in terms of the TI CPI are as follows: (1) Finland, Iceland, and New Zealand received the same highest score (9.6), followed by Denmark (9.5), Singapore (9.4), Sweden (9.2), Switzerland (9.1), Norway (8.8), Australia (8.7), Netherlands (8.7), Austria (8.6), Luxembourg (8.6), and United Kingdom (8.6).³⁷ Countries in Northwestern Europe, Northern America, and Oceania received high CPI scores. In general, there might be a possible correlation between corruption and socioeconomic development, but Northwestern European countries have an exceptionally high score. It seems that ethical or cultural legacies brought a high CPI score in Northwestern European countries, but more in-depth further studies might be necessary to explain this phenomenon.

Among Asian countries, Singapore had the highest score (9.4), followed by Hong Kong (8.3), Japan (7.6), Taiwan (5.9), South Korea (5.1), and Malaysia (5.0), as shown in

³⁵ Alan Doig et. Al (2006) warns that quantitative approaches have policy-relevant weaknesses when it comes to assessing causes, patterns and trends of corruption, as well as acknowledging that an over-reliance on scoring or rankings might overlook the fact that democratization and development may be moving targets in terms of progress and direction.

³⁶ The surveys used in compiling the CPI ask questions that relate to the misuse of public power for private benefit, (for example bribery of public officials, kickbacks in public procurement, embezzlement of public funds) or questions that probe the strength of anti-corruption policies, thereby encompassing both administrative and political corruption.

http://www.transparency.org/policy_research/surveys_indices/cpi/2006/faq#general1.

³⁷ Ibid.

Table 5.³⁸ It seems that a super-strong anti-corruption agency model popularly known as “the Singahong Model,” works effectively in both Singapore and Hong Kong. Since Singapore’s CPIB was originally established by the British colonial government in 1952, Singapore’s anti-corruption policies have been effective.³⁹ Hong Kong’s CPI is also high and such a score could be as a result of the performance of Hong Kong’s ICAC. South Korea’s rank is much lower than Singapore and Hong Kong, but it is improving over time.

Table 5. Rank and Score of the TI CPI 2006 in Selected Asian Countries

(Number of Countries: 163)

Country	CPI Rank	CPI Score*
Singapore	5	9.4
Hong Kong, PRC	15	8.3
Japan	17	7.6
Taiwan	34	5.9
South Korea	42	5.1
Malaysia	44	5.0
Thailand	63	3.6
China	70	3.3
India	70	3.3
Mongolia	99	2.8
Vietnam	111	2.6
Nepal	121	2.5
Philippines	121	2.5
Indonesia	130	2.4
Pakistan	142	2.2
Bangladesh	156	2.0
Myanmar	160	1.9

* The score ranges from 0 (most corrupt) to 10 (least corrupt).

Source: Transparency International (2006).⁴⁰

In China, corruption has been openly recognized as an emerging challenge to China’s economic and social reform. In 2002, then President Jiang Zemin defined “anti-

³⁸ Transparency International’s homepage for the Corruption Perception Index (CPI) at http://www.transparency.org/policy_research/surveys_indices/cpi/2006.

³⁹ A similar story can be told in Hong Kong, which was under British rule from 1841 to 1997 (Quah, 2004).

⁴⁰ For more details, visit the TI’s homepage for the Corruption Perception Index (CPI) at http://www.transparency.org/policy_research/surveys_indices/cpi/2006.

corruption mechanisms” as a “major political task for the Party.” Incumbent President Hu Jintao has declared the fight against corruption a priority on the political agenda of his government, as corruption threatens both the economic development and the political and social stability of China (OECD, 2005b). Corruption looms as one of the biggest political and economic challenges that faces China in the twenty-first century. Corruption is a huge economic loss and a "social pollution," contributing to problems such as environmental degradation, social and political instability, and decreased credibility of government officials. The Chinese government has taken numerous measures to fight corruption. These measures include forbidding the government, police, and military to take part in business enterprises; implementing different accounting channels for revenues and for expenditures; and implementing a system of "accountant accreditation." However, one of the most difficult challenges for furthering anti-corruption activities in China will be engaging the Chinese Communist Party (CCP). Currently entrenched in special interests, the Chinese government needs to democratize its internal affairs. Collusion among the CCP, judiciary, and police must end. Not enough research has been done on how this transition should occur and what its consequences will be. Hopefully, the transition will be a proactive, peaceful one brought about by forward-looking CCP officials. The design of China's anti-corruption institutional framework puts authority for anti-corruption work in the hands of the Party (the Central Commission for Discipline Inspection and its network of local commissions) and not in the hands of an independent body that would have authority over the CPC and that could call the CPC to account. This lack of an independent anti-corruption body makes the fight against corruption more difficult (World Bank, 2005b). Historically, the Party has been a force for change and reform, especially within the central government. In both China and Vietnam, the Party plays a direct role in the management of civil service performance. Personnel officials in government departments and bodies are Party members. Also, officials of the Party's Organization Department participate directly in and approve personnel movements of all those holding leadership positions.

In Japan, some contend that there is far less corruption now than there was in the past and predict that corruption is almost certain to continue to decline in importance in years to come (Curtis, 1999). Others argue that corruption will continue to flourish in Japan because its cultural roots are deeply imbedded in government and society (Mitchell, 1996). Some doubt that corruption in the bureaucracy has declined. If anything, the number and seriousness of bureaucratic scandals have not declined during

the last decade, although the relationship between corruption revealed and real corruption is notoriously difficult to discern. Whatever the long-range realities, one may still ask who, ultimately, is responsible for the dirty messes Japan's government so frequently finds itself in. According to one popular view, if the Board of Audit, prosecutors, police, and various ministries are misusing or tolerating the misuse of taxpayers' money, they are able to do so because of a permissive public, apathetic voters, and timorous media. It follows that if Japan is a democracy that affords its citizens ample means of expressing their preferences, then voters have only themselves to blame for the present state of their government. There is compelling evidence that the public's crisis of confidence in government is best explained not by malapportionment, nor by Japan's moribund economy, but by perceptions of misconduct in government. In short, the more people learn about their leaders' misconduct in office, the lower their faith and trust in government (Pharr, 2000). Despite this it remains to be seen whether the public's deep discontent with government will usher in a period of real reform of Japan's bureaucracy (Johnson, 2000, 2001).

In South Korea, various anti-corruption initiatives had taken place by various administrations, but substantial changes appeared during the early 1990s. During the Kim Young-sam Administration (1993-1998), the Real Name Financial Transactions System was executed by the Presidential Emergency Order for national finance and economy in 1993. It was a significant step toward financial transparency in banning the use of anonymous financial accounts. Later, the Act on Real Name Financial Transactions and Guarantee of Secrecy was enacted in 1997 in order to solve partial defects, such as inconveniences in financial transactions following verification of real names and the anxieties about tax investigations under the Presidential Emergency Order. However, much more salient transformations took place during the Kim Dae-jung Administration in modern South Korean history. In 1999, the Office of Prime Minister announced the comprehensive programs including the following five issues: (1) the establishment of a special committee on anti-corruption; (2) promulgation of a basic law on the prevention of corruption; (3) the development of a public awareness campaign; (4) the development of a campaign encouraging citizen participation in corruption detection; and (5) administrative reforms in corruption-prone areas. This plan brought a significant development on corruption eradication and the author labeled it here as the "Kim Dae-jung Plan of 1999" on anti-corruption. Accordingly, the Anti-Corruption Act was enacted in 2001 and the Korea Independent Commission Against Corruption (KICAC) was established in 2002. Current Administration (Roh Moo-hyun

Administration: 2003-2008) revised the Public Office Election Act to minimize corrupt practices in the process of the public office election and renamed the Korea Independent Commission Against Corruption (KICAC) to the National Integrity Commission in order to encourage a full-scale national integrity instead of curbing narrowly-focused anti-corruption. In accordance with the Article 8 of the Anti-Corruption Act, the Code of Conduct for Public Officials (CCPO) went into force on May 19, 2003 to lay down behavioral guidelines for public officials in their private and public life. South Korean government's anti-corruption efforts were somewhat political, symbolic, or limited in its nature before the 1990s. Since the 1990s, however, realistic and practical measures for corruption eradication have been developed.

Vietnamese government officials are gearing up to adopt new anti-corruption measures as the country ratifies the United Nations Convention Against Corruption. Ratifying the U.N. convention goes along with a host of other measures that make Vietnam a more transparent place to do business. Vietnam has been involved in a massive anti-graft campaign. Vietnam needs to intensify the fight against corruption, smuggling and trade fraud which have been growing increasingly complicated in form, and bigger in scale, in recent years. Relevant agencies have prosecuted many people involved in the economic crimes in the period, including thousands of smugglers and traffickers, and corrupt officials. Many violations have been found in the infrastructure construction sector, from the stages of designing and approving projects to the stages of allocating loans, bidding, providing consultancy services, supervising, overseeing, and payment. Hundreds of bank and treasury officials and business directors have also been prosecuted for intentionally violating management regulations (Xinhua News Agency, 9 June 2005). Consequently, Vietnam's legislature passed a long-awaited anti-corruption law, in 2005, that requires officials and their relatives to declare their assets every year. A high-level national Anti-Corruption Committee led by the Vietnamese Prime Minister was also established in 2006. The 10-member committee has the rights to suspend deputy ministers, chairpersons of provincial People's Committees or Councils, and equivalent posts if they have signs of law violation ([Chinese] People's Daily, 5 October, 2006). The committee, in charge of guiding and inspecting anti-corruption activities nationwide, also has the rights to sack those who have signs of involvement in corruption or causing difficulties for anti-corruption activities. Vietnam has made fighting corruption one of its top priorities and has attempted to crack down on high-profile targets such as officials in large state-owned companies and government ministries. The anti-corruption law which was passed by the National Assembly and

took effect on June 1, 2006, requires officials and their relatives to declare their assets annually and demands more transparency throughout the country.

In Mongolia, the major finding of the report is that opportunities for corruption are increasing at both the petty or administrative and grand or elite levels. Both types of corruption should be of concern to Mongolians, but grand corruption should be considered a more serious one because it solidifies linkages between economic and political power that can negatively impact or ultimately derail democracy and development, as it has in other post-Communist countries. Several inter-related factors contribute to the growing corruption problem in Mongolia, the most significant of which are: (1) a profound blurring of the lines between the public and private sector brought about by endemic and systemic conflict of interest (COI) at nearly all levels; (2) a lack of transparency and access to information that surrounds many government functions and undermines nearly all aspects of accountability by contributing to an ineffective media and hindering citizen participation in policy discussions and government oversight; (3) an inadequate civil service system that gives rise to a highly politicized public administration and the existence of a spoils system; (4) limited political will and leadership to actually implement required reforms in accordance with the law, complicated by conflictive and overlapping laws that further inhibit effective policy implementation; and (5) weak government control institutions, including the Central Bank, National Audit Office, Parliamentary standing committees, Prosecutor General, State Professional Inspection Agency, State Property Committee, and departments within the Ministry of Finance (US Aid, 2005). Most importantly, the rising level of corruption results in overall mistrust of people in government organizations, and political instability as has been evidenced by the increased public pressures on the government through various political campaigns and demonstrations. The Government of Mongolia has made a number of efforts to actively combat corruption in recent years. The Parliament approved a National Program for Combating Corruption (NPCC) in 2002. Subsequently a National Anti-Corruption Council (NACC) was established to oversee the implementation of the NPCC. In October 2005, the Parliament ratified the UN Conventions on Anti-Corruption (UNCAC). The process of revising national laws and regulations to comply with UNCAC is underway. The Law on Anti-Corruption was approved by the Parliament in July 2006 and an independent Anti-Corruption Agency was established in December 2006. Various donor agencies (UNDP, ADB, and World Bank) are providing technical assistance for anti-corruption in Mongolia. As a result, it is fair to say that the basic anti-corruption infrastructures are established in government,

but, need to say, such development does not guarantee the success of anti-corruption initiatives in Mongolia. Continuous reforms must be carried out for immediate, short, medium and long-term implementation of NPCC and the UNCAC in focusing on: (1) participatory priority setting in national efforts to combat corruption; (2) broad public awareness on the complex issues of corruption and their negative impact on human security and sustainable human development; (3) institutional capacity building to enforce, monitor, and evaluate the policy, legal and regulatory framework to combat corruption; and (4) strengthening the mechanisms necessary to improve the management, coordination, and monitoring of the implementation of the NPCC and the UNCAC.⁴¹

10. Summary and Conclusion

In general, Japan and Korea made a substantial progress in their democratic governance and economy over time. Both governments have paid serious attention to new challenges such as globalization and informatization. Nonetheless, they still have salient problems to tackle, even though these two countries have achieved substantial economic and political development in modern times. Among these problems are a low rank in global competitiveness (Japan marked 24th and Korea did 29th in 2007),⁴² a lack of competence, and rigid systems for employment. Therefore, both governments should enhance global competitiveness and international standards in government. Furthermore, electoral and political scandals including corruption are still serious problems in both countries. Trust in parliament and political parties in both countries is still low in both countries as shown in the World Values Survey and other surveys. The Liberal Democratic Party still dominates Japanese politics, while political parties in Korea are still unstable.

The economic performance of both China and Vietnam is remarkable in recently years. For example, the volume of foreign direct investment is increasing significantly in both countries. China's global competitiveness exceeded Japan and Korea, placing 15th in

⁴¹ See the UNDP's project on Anti-Corruption (National Integrity System Enhancement) in Mongolia (its summary is available at

http://www.undp.mn/new/index.php?option=com_content&task=view&id=20).

⁴² For more details, visit the IMD's website (The World Competitiveness Scoreboard 2007) at <http://www.imd.ch/research/publications/wcy/upload/scoreboard.pdf>.

2007,⁴³ while Vietnam's competitiveness is far behind than China, Japan, and Korea. Moreover, both countries made a serious commitment to modernize civil service and legal systems. However, both China and Vietnams are still socialist states so that the communist party monopolizes both politics and administration. Although the seed of pluralism or diversity grows at a local level, national politics and administration are still under heavy influence of the community party. Furthermore, civil society engagement in both countries is still evolving, although general social modernization in both countries and the *doi moi* reforms in Vietnam are stimulating the development of an independent civil society. To a certain degree, many civil societies are the state-mobilized groups in both countries although there are growing signs of independence and diversity of views within groups. According to a recent survey of members of the Central Communist Youth Union, a leading youth organization in Vietnam, 89 percent want more democracy and less corruption in the Vietnamese political system (Vietnam News Brief, January 2, 2003).

The Mongolian people abolished the totalitarian regime in 1990, rejected the planned economy, and began a comprehensive transition toward a new political system. This new choice was to develop a country respecting human rights, democratic values, the market economy, and the rule of law. From a narrow perspective, this led to the comprehensive reform of the legislative system and structure, this reform did not take place all at one time, but was rather an on-going and gradual process. In March 1990, one-party rule was abolished. Political pluralism was recognized and the shift towards a multi-party system commenced. In sum, many political, administrative, economic, and legal systems are rapidly changing in Mongolia, but competent human resources are seriously lacking so that new systems are still facing deadlocks.

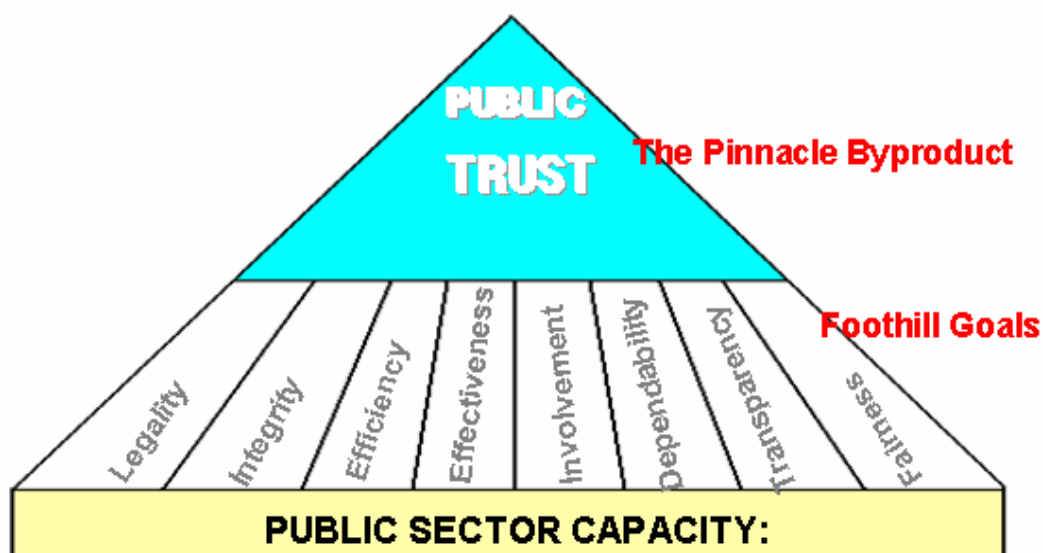
Trust should be part of public sector reform objectives. Accordingly, proactive trust-building measures and strategies should be developed at all levels: electoral and parliamentary systems, decentralization and local governance, service delivery, civil society engagement, civil service reform, judicial system and access to justice, and transparency and corruption. Improving service delivery quality and civil service reforms are not sufficient. Specific trust management strategies should be developed in focusing on how this quality is perceived by citizens because different citizen expects different things. Particularly in an age of globalization and the information society,

⁴³ For more details, visit the IMD's website (The World Competitiveness Scoreboard 2007) at <http://www.imd.ch/research/publications/wcy/upload/scoreboard.pdf>.

people increasingly prefer to have more reciprocal relationships than ever before. In an emerging public governance paradigm, more stakeholders get involved in decision-making process so that maintaining reciprocal relationships are critical in a network society. Therefore building interpersonal and organizational trust is a key to success in government.

Figure 4 depicts public trust and public administration's structure of purpose in the form of a mountain (Goodsell, 2006). At the foothills of the mountain there are various goals. Each is critical and characterizes how administration's externally provided instructions should be carried out - lawfully, honestly, efficiently, effectively, etc. Yet the key point here is that their successful realization over time cannot help but strengthen the public's overall sense of trust in government. Trust is hard to directly build up because it is a cognitive concept reflecting several factors such as legality, integrity, efficiency, etc as shown in Figure 4. In order to recover public trust, we should first focus on foothill goals, while strengthening the public sector capacity.

<Figure 4> The Mountain of Public Administration Purpose



Source: Modified by the author from Goodsell (2006).

The point is often made negatively by pointing to examples of governments around the world in which corruption, waste, political scandals, and favoritism run rampant (Goodsell, 2006). Unfortunately, these shortcomings are all too common, causing good governance to become a prime objective of international development organizations

such as OECD, UN, and others. People have no faith in the policy as a whole because of the way it affects them from day to day. At first glance, most people lack a foundation of public trust. Trust in government surveys, run periodically by polling organizations, usually show low scores and mass media often interprets these as indicating a lack of faith in government agencies, as bureaucracy is a traditional object of scorn in our popular culture. However, a question of trust in government could be different from a question of trust in public bureaucracy.

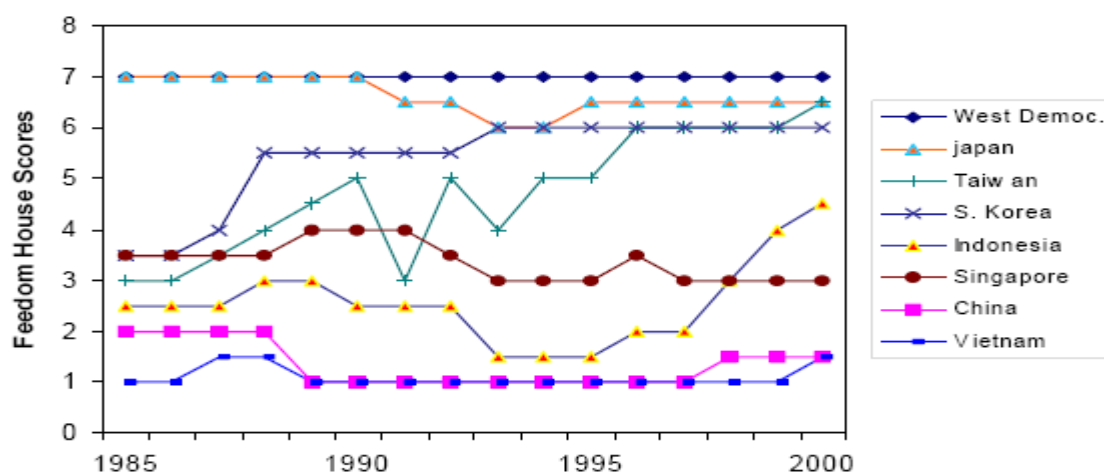
National government trust ratings go up and down depending on the reputation or popularity of the incumbent President or the Prime Minister depending on the political system of each country, the current state of the economy, and the degree of stalemate in Congress. However, it is important to recognize the fact that these swings have little relevance to administration. A contrary indicator of citizens' opinion of bureaucracy exists: surveys that ask about direct personal experiences with administrative agencies. These show that the level of confidence in civil service is not low in four North and East Asian countries except Mongolia (no survey data available). Thus, despite their distrust in government, citizens in North and East Asian countries are not highly disturbed by the way they are personally treated by it. Therefore, it is fair to say that distrust in government is not the same as distrust in civil service. In many countries, the civil service is by no means the least trusted institution (OECD, 2005; Goodsell, 2006).

Overall, North and East Asian countries making a substantial progress through active public sector reforms. In addition, economic well-being is improving over time, although the degree might be different in each country. However, a most unsatisfactory factor might be the political element including the role of parliament and political parties, political scandals, and corruption. North and East Asian countries are making a salient commitment for promoting public sector reform in recent years, regardless of their political ideology. For example, Korea is actively participating in the Global Reform on Reinventing Government and recent Presidents put top priority on government reform. Both China and Vietnam are socialist states, but they seriously carry out public service reforms. Mongolia washed out old socialist systems and began to install new systems. In doing so, it is expected that the quality of public service might be improved over time, but the question of whether the general perception of the general public on government will substantially change or not is still unclear to answer. The general public perceive the quality of the public service issue as one of several key factors in government. As long as the general public has a high degree of cynicism and

distrust on politics (parliament, political parties, President or Prime Minister), the general public's perception in government may not change significantly. To date, most governments now recognize the value and the role of civil society in nation building and they have even officially made civil society a participant in their respective nation's development processes. However, there are still some governments who consider civil society as a potential threat and limits their organizational activities. Therefore, it is fair to say that political reform is one of the most urgent and critical tasks for North and East Asian countries to take in the near future in order to recover public trust in government.

Figure 5 displays the democracy score of several nations in the 1985-2000 period that brackets the public opinion data collected by the World Values Survey. The East Asian nations in the World Values Survey display tremendous political variation. China appeared to be making progress on both dimensions during the 1980s, but then the Tiananmen protests in 1989 led the regime to reassert its control. Similarly, Vietnam began a process of economic liberalization in the mid-1980s, but this has not led to significant changes in the socialist governance structure. South Korea has made relatively steady progress in developing its democratic system since the end of military rule, but many political challenges continue to face Korean democracy, and the public remains critical of the progress of democracy-building and the actions of political elites. Japanese experience is reflected in its positive scores on the summary democracy scale over this period, but a slight decline is observed in the 1990s (Dalton and Shin, 2003).

<Figure 5> Freedom House Summary Scores, 1985-2000



Source: Dalton and Shin (2003)

In sum, major characteristics of public administration have changed. Present public affairs are more complex, diverse, fragmented, interdependent, transparent, blurring/overlapping, and decentralized so that it is increasingly difficult to formulate effective public policies to deal with complex issues. Decades ago most citizens were farmers in Asian countries so that the government's job was not really complicated. At present, we have less farmers, and citizens have diverse demands. Delivering a high quality of public service to meet these diverse demands from citizens, increases the difficulty for the government to fulfill their responsibilities. Therefore, public servants must proactively promote public sector reform and enhance the public capacity and competency. However, public sector reform and capacity building do not guarantee a substantial recovery of trust in government due to existing political cynicism in an age of distrust. Bok (1997) found that there is no evidence of a direct and causal link between the performance of government, and citizen's trust. Barnes and Gill (2000) replicated Bok's study with New Zealand data and found improved performance in most fields, but a drop in public trust. Although a better performing public sector may help to restore trust, the erosion of public trust in government may also be a cost of political, economic, and administrative problems. Therefore, political reform must take place along with continuous economic liberalization and a broad range of public sector reform in North and East Asian countries.

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