

## A Development of Policy Evaluation in Japanese Local Government

### Preface

Recently we often hear the word “evaluation” in the field of public administration. In 1998 and 1999 several magazines, whose readers were mainly public officials, published special issues on “policy evaluation”, “administrative evaluation” “public sector evaluation”<sup>(1)</sup>. In Kyushu and Yamaguchi area 44.4% of these cities have either established an evaluation system or are considering introduction of evaluation system of any kind. It now seems that many local governments begin to realize that they cannot disregard the word of “evaluation” and should take it seriously.

There are such similar terms as policy, program, administrative, project and public sector evaluation, performance measurement, performance review or whatever. But the reason we use those terms is simple: we should renovate the old fashioned style of administration in which we attach more importance in plan making and neglecting the importance of evaluation. Now ‘Evaluation’ is coming up as a powerful “new medicine” of the administrative reform.

The purpose of this paper is to discuss the present condition of the policy evaluation through the analysis of cases in Kyushu and Yamaguchi areas and others.

### 1. The background of the recent “development of evaluation”

#### The financial crisis of local governments

We can say that the aggravation of the financial conditions of the lo-

cal governments is the first background of the coming up of 'evaluation.' The number of local governments whose debt expenditure burden ratio was more than 15.0% rose to 1,974 in 1998<sup>(2)</sup>. In 1999 seven prefectures declared financial crisis. For many local governments, particularly prefectures, bankruptcy can never be impossible. So, it is natural that local governments want to make use of "evaluation" as a specific remedy for expense reduction.

Of course, it is criticised that we relate 'evaluation' only to the expenses reduction because by doing this we lose sight of other important aspects of 'evaluation'.

### Decentralization

Secondly, we can see the decentralization in 1990's as another background of the emergence of 'evaluation'. The Committee for the Promotion of Decentralization which was established in 1995 submitted five Recommendation Reports to the Prime Minister for five years, and at last July 1999 the Law of Decentralization which is to amend 475 laws (ex. Local Autonomy Act) was enacted. This law has just come into effect in April 2000. It is one of the most massive and important reforms among postwar reforms for local government because it abolished Kikan Inin Jimu which has been thought as a symbol of centralized governmental system in Japan<sup>(3)</sup>.

By the way, how are local governments being expected to change in this decentralization reform? As 'Interim report' (1996) of the Committee for the Promotion of Decentralization clearly shows the ideals of this reform, let us go over the report in some detail. It sees the role of the local government in the decentralized society as follows. (summary)

In a decentralized society local government would be responsible for more functions. Also it says that the responsibility of such representative organs as the chief executive and local assembly would become remarkably larger than before. Also public officials in local governments are no longer permitted not only to avoid their responsibility with the excuse of the central government's order in doing daily administration but also to depend on central government when they face difficult problems. The ensuring result, according to the report, will be that public services delivered by any local government must be more prompt to be given and more congruent with various needs of their communities. At the same time local governments will compete with each other in their performance and heighten their performance level. Each local government will show different performance and residents will have to be ultimately responsible for these differences because they elected their representatives.

This means the end of the central government's care and control for almost all local affairs. And the time should come when residents should expect their representatives to be responsible and accountable sufficiently, and in turn residents themselves have to accept negative outcomes of wrong performance of administration as a result of their choice.

So, naturally local governments should feel they must introduce policy evaluation which comes to be a new weapon for steering governments and realizing responsible and accountable public administration.

## New Public Management

Thirdly we can see the introduction of the foreign administrative reforms affected by New Public Management (NPM) as the background of the emerging local governments' policy evaluation.

The policy evaluation affected by NPM is characterised by performance measures which are easier to understand and introduce. So knowing this type of policy evaluation, elected and public officials of local governments in Japan must be greatly activated, though they have hesitated in introducing difficult and complicated classic type of program evaluation.

Also we can't overlook the movements of central government. Recently central government comes to emphasize and are studying policy evaluation since the 'final report' of the Committee of Administrative Reform (1998). And now several guidelines are emerging.

Besides, the Ministry of Home Affairs started a study meeting of administrative evaluation for local governments, too. It asked the sectional chiefs of prefectures, cities, towns and villages for their cooperation in the trial of the administrative evaluation (performance measurement) in September, 1999.

### 2. Policy evaluation affected by NPM

For a long time we have been familiar with program evaluation which has been mainly developed by GAO (the General Accounting Office Board of Audit). GAO has evaluated a lot of programs in the point of view of so-called 3E (Economy, Efficiency, Effectiveness) since mid 1960s'. So we can say Theory and Practice of policy evaluation has been developed with GAO's program evaluation.

On the other hand, in 1990s, we come to know new type of evaluation affected by NPM (we shall call it NPM patterned policy evaluation) which is done in local governments in the U.S.A, Britain and so on. The characteristics of this type of evaluation (performance measurement) by appearance is (a)uniform style of measurement, (b)self evaluation by the person in charge of administration (c)simple measures (d)positive information disclosure of the results of evaluation<sup>(4)</sup>. It is policy evaluation of this type that many Japanese local governments are studying now.

NPM is in a word the theory that we should introduce management styles of private sector into public administration as possible and by doing this realize clients and results oriented public administration. Its belief is that the differences between the public and private sectors are not generally significant. It emphasizes accountability for results, devolution of management and prefers private ownership, contestable provision, contracting out of most publicly funded services, certain private sector management practices such as the use of short-term labour contracts, the development of strategic plans, corporate plans, performance agreements, performance-linked remuneration systems<sup>(5)</sup>. Therefore we can say policy evaluation affected by NPM aims to realize the clients and results oriented administration in the public sector by reviewing outcomes of policies, programs and projects with performance measures.

What is important in evaluation? One may ask.

First, one of the most important functions of evaluation is that of policy learning and policy development. We must always review and develop means and objectives of projects, programs and policies in order to gain more desirable outcomes for residents.

On the other hand securing accountability is another important func-

tion of evaluation, too. It is natural for us to emphasize securing accountability because the reason why 'evaluation' is coming up in Japan is to renew our style of public administration which has overemphasized 'plan' and as a result make light accountability for results.

Sometimes accountable oriented evaluation prevents policy learning or development. It is desirable to try and challenge in order to solve new and difficult public problems boldly even if they involve risks. We must emphasize the point of view that policy process is at the same time a process in which organizations learn and develop. If we don't try anything, we don't have to be accountable for results because there will be no results. So, we must think highly of trial and challenges.

It is necessary at this point to distinguish two types of evaluation — accountability oriented evaluation and policy learning oriented evaluation —, and in each case decide contents of accountability<sup>(6)</sup>.

Secondly, it is important to see policy as a system. When Mie prefecture began project evaluation or Hokkaido began 'Toki no assessment', some people estimated these trials highly, but other people said it was not suffice to review projects. When we review only projects level, outputs or outcomes of projects can be reviewed only from the view point of performance of projects levels.

In this case we can't see whether project is effective or not for program or policy levels. The process to examine why we can't attain the objectives of program or policy though we attained all objectives of each project doesn't begin. We must evaluate whether projects are effective or not for programs and in turn whether programs are effective or not for policies.

Thirdly it is necessary to evaluate projects, programs and policies in total management system. As we see above, policy evaluation can contribute to accountable management, policy development and can inno-

vate organizations. But it is only a possibility, not reality. In what conditions can policy evaluation do them? It is needless to say that developing skills for performance measurement is important. But it is not suffice. It is necessary to evaluate projects, programs and policies in total management system.

Next, we shall see some examples of total management system in the case of Hutt City (New Zealand)

### 3. Total Management System – the case of Hutt City <sup>(6)</sup>

#### NPM patterned public administrative reforms

New Zealand is known as a country which did most comprehensive and radical NPM patterned administrative reform. As for Local government, since 1989 they have continued important local government system reforms. The amalgamation of 741 local authorities into 92 is well known in Japan.

During the reforms each local government in New Zealand has looked for and determined which way they should go. There are some local governments such as Christ Church which decided to continue to have big government <sup>(7)</sup>, and other local governments decided to have small government. Hutt city which is located next to Wellington city and whose population is 96,000 decided to do NPM patterned administrative reform.

The person in charge of these reforms is Mr. Rodger Kerr - Newell, CEO (Chief Executive Officer) of Hutt city since 1993. He started administrative reforms as soon as he came to Hutt city. Accumulation of debt was curtailed from \$128,000,000 through \$83,000,000 to \$66,000,000 in 1999 and the financial crisis of the council was avoided.

He did this by selling assets, contracting out, privatisations and so on. With these the number of public officials of Hutt city decreased from 900 to 300. Hutt city with a lot of cars inscribed Hutt city on their body and running almost everywhere before now has become one of the smallest government in New Zealand.

For example, Hutt city contracted out human resource management though we cannot easily imagine contracting out such governmental functions. In Hutt City a famous consultant (private enterprise) in human resource management advices CEO and senior managers who are responsible for staffing. Public officials for human resource management decreased from 7 to zero. Money which was expended for employing staff of human resource management before now is used for staff training, and some people gained Master of Public Administration or Master of Business Administration. Recently in Japan it is said that we have to review our styles of extremely centralized human resources and financial management. We have to study New Zealand model.

We should note that reduction of staff is serious problem for the employees. How did they cope with about 600 staff without job? After compensating reasonably, they introduced new jobs to persons who had to resign. And as for 250 persons, the new company which Hutt city established in 1993 employed them. They were protected by contracts, which provided long - term employment.

This company can contract with and work for anyone as well as the council. And it comes necessary for the company to participate in the competitive tender in order to contract and work for the council. As a result, this company has expanded their jobs and increased their competitive power. Hutt city sold this company recently at a whopping price of \$7500,000.

“If all were fired in 1993, there would have been serious negative im-



pact on the community and Hutt city would have had to make a lot of retirement compensation. By establishing city owned company, the employees didn't lose their jobs while they gained competitive power with other private companies and self - confidence. And Hutt city council didn't need to pay any retirement compensation while it gained \$7,500,000. It was the best result, wasn't it?" said R. Kerr - Newell.

At last I want to introduce a quite NPM - like story. R. Kerr - Newell, CEO of Hutt city, has another title - President of Employers and Manufacturers Association Central. Employers and Manufacturers Association is an association for employers of about 2,300 enterprises, universities, hospitals and local governments. And the area chairman of this association is CEO of Hutt city - local government.

R. Kerr - Newell says, "Local governments is the biggest body which employ a lot of employees. The competence to employ them belongs to CEO, so it is natural that CEO of local government becomes a president of this association."

Well, we must return to policy evaluation. Hutt City's total management arrangement is CEO, Strategic Plan, Long - term Financial Strategy, Annual Plan, Funding Policy, Code of Service, Asset Management Plan, Annual Report, attitude survey of residents, comparison with other local governments, human resource management with performance review and explicit relation between benefit and payment.

CEO (Chief Executive Officer)

CEO is a city manager who is employed by the city as a professional in public administration. In New Zealand, the Local Government Amendment Act 1989 made clear that the elected members - mayors and councillors - should be responsible for decisions and CEO should

be responsible for implementing decisions.

CEO should be responsible to the elected members for ① implementing decisions by the council, ② ensuring that all functions, duties, and powers delegated to him/her are properly performed or exercised, ③ determining the means to achieve the outcomes sought by the council, ④ ensuring the effective, efficient and economic management of the activities and planning of the council, ⑤ providing advice to councillors and members of community boards, ⑥ appointing and terminating staff. CEO is the only employee of the elected members and at the same time employer of all public officials. He/she has a large degree of discretion. He/she is responsible and accountable to the elected members for results which had been promised before. In Hutt city, the contract term for CEO is five years.

The elected members decide policy, strategic plan and annual plan. The power to implement them lies in CEO. It is this CEO's great power that made it possible for Hutt city to reduce the number of public officials dramatically, contract out a lot of city services and restore the financial condition of the council. Of course it depends on CEO's personality, political and administrative ability. R. Kerr - Newell is probably the most likely CEO.

### Strategic Plan, Long - term Financial Strategy

The second tool of total management is a strategic plan and long - term financial strategy which corresponds to strategic plan.

Local Government Amendment Act 1996 requires each local government to make long - term financial strategy. The reason why they made such amendment is because they intended to turn the system in which central government directly controlled local governments to the

system in which the range of local governments' financial management would be expanded while at the same time their accountability would be strengthened. It is being required in the long-term financial strategy to explain activities of councils with expenditure.

Though making strategic plan is not a duty, the local governments who make strategic plan are increasing because it is more convenient to explain their visions and activities in strategic plan united with long-term financial strategy.

Hutt city council made 1998-2008 year strategic plan (the 2nd long-term plan) which included long-term financial strategy. It shows four visions (A City for People, A City for the Environment, A City for Business, A City for Visitors), means to realize them and 38 important activities of the council combined with visions and means. And also it shows financial estimate for these activities.

At the top of strategic plan, R. Kerr-Newell explains as CEO four visions and main activities to realize visions. He accounts how he and his staff did their best and succeeded in reducing expenditure and decreasing debts. But simultaneously he suggests nevertheless that debts should increase from 2002 because of the new projects which are indispensable to realize visions. And he promises in that case to keep Rates increase below inflation by selling non-core assets, competitive tendering and so on. They show a lot of materials which prove this announcement financially in the long-term financial strategy, too.

The first point to emphasize here is that this strategic plan including long-term financial strategy is finally decided by the council members. This long term plan is the document of promise of the elected members to residents and the document of promise of CEO who is delegated to implement decisions toward the elected members.

The second important point to emphasize is that this long-term plan

is made the target of reviews. When visiting Hutt city, I found they were reviewing the strategic plan. If necessary, even long-term strategic plan should be reviewed. It is very different from the case of Japan which once made are never to be reviewed, isn't it?

### Annual Plan, Funding Policy

Activities in strategic plan are rewritten more concretely in annual plan involving budget. At first, at the top of annual plan volume 1, they explain the Rates and financial conditions of the city. Then they predict income and expenditure. They also show performance measures of each forty activities of the council. Who will measure their performance and how it will be measured is shown there, too.

There are some other interesting features. For examples, as for the supply of water, we can find terms such as employee costs and depreciation in operating expenditure which make it easy to understand cost performance exactly. Here in Japan we aren't familiar with such terms in budgets of central as well as local governments (figure 1).

Marks of performance measures are interesting, too. Because each mark shows explicitly what it is for, for example mark of satisfaction of residents is smile mark and mark of keeping schedule is watch, we can understand at a glance for what these marks are for (figure 2).

These performance measures are set according to the nature of the projects. For examples, in operation of museums, they set performance measures such to "80,000 visitors per year" (effectiveness), "A net direct cost per visit of \$15.96" (efficiency). And if they find an asset doesn't suffice benefit in comparison to cost, that asset will be sold as unnecessary asset.







We can also find performance measures of the elected members-

Figure 1. WATER SUPPLY- STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

Forecast 1998/99 \$000s		Budget 1999/2000 \$000s	Forecast 2000/2001 \$000s	Forecast 2001/2002 \$000s
	<b>OPERATING REVENUE</b>			
2,351	User Charges	2,424	2,424	2,424
2,351	Total Operating Revenue	2,424	2,424	2,424
	<b>OPERATING EXPENDITURE</b>			
197	Employee Costs	121	121	121
7,511	Supplier Costs	7,239	7,239	7,239
318	Support Costs	386	386	387
160	Internal Recoveries	160	160	160
1,235	Maintenance Costs	1,278	1,278	1,278
1,089	Enterest Expense	714	587	696
457	Depreciation	258	266	271
804	Cyclic renewal Depreciation	997	997	997
11,451	Total Operating Expenditure	10,822	10,714	10,829
9,100	Operating deficit	8,398	8,290	8,405
9,100	Net Deficit After Tax	8,398	8,290	8,405

source) Hutt City, Annual Plan 1999/2000,p.33

Figure2. The Performance symbols indicate which performance measures are used for each objective

	Timing-did the programme meet the planned deadlines?
	Budget-was the project within budget?
	Resident satisfaction-were at least 80% of residents surveyed satisfiec with the programme?
	Standard-did the programme meet the appropriate technical standards?
	effectiveness-were the effectiveness targets met?
	Efficiency- were the efficiency targets met?

source) Hutt City , Annual Plan 1999/2000, p.33

mayor and councilors - , which are “At least 70% of residents have seen or read any of Council’s published information in the year” (resident satisfaction), “At least 80% of residents are satisfied with the service they receive when they contacted Council offices during the year by phone, in person or in writing.” and “Residents satisfaction with the way rates are spent is higher than the average for peer local authorities.” and “Resident satisfaction with the performance of the Mayor and Councillors is higher than the average for peer local authorities.” (figure 3). The performance of the persons in charge of policy making

Figure 3. Elected Mebers

	performance measures	source of information
<input checked="" type="checkbox"/>	At least 70% of residents have seen or read any of Council’s published information in the year.	NRB Communittrak Survey
<input type="checkbox"/>	Resident satisfaction with the performance of the Mayor and Councillors is higher than the average for peer local authorities.	NRB Communittrak Survey
<input type="checkbox"/>	Resident satisfaction with the way rates are spent is higher than the average for peer local authorities.	NRB Communittrak Survey
<input type="checkbox"/>	At least 80% of residents are satisfied with the service they receive when they contacted Council offices during the year by phone, in person or in writing.	NRB Communittrak Survey
<input type="checkbox"/>	Average resident satisfaction across all standard community survey question is higher than the average for peer local authorities.	NRB Communittrak Survey

source) Hutt City , Annual Plan 1999/2000,p.79

for the council is evaluated in this way.

There are performance measures of the management of the council, too (figure 4). These performance measures are the contents of accountability of M. Kerr-Newell who is in charge of the management.

The volume<sup>2</sup> of the annual plan is fund supply policy. At the top of the volume, they show four principles of funding policy, ① the costs of any expenditure should be recovered at the time that the benefits of that expenditure accrue (inter - generational equity principle) - this ensures

Figure 4. Councils Management service

	performance measures	source of Information
\$	Achieve a balanced operating budget, specially in 1999/2000 an operating surplus of \$3.542 million	Annual Plan, Quartely Financial Reports , Annual Report
\$	Achieve a balanced cash flow, rate funding depreciation and loan funding capital expenditure. This will exclude, however, fund transfer items, capital subsidies and asset sales, which will be used to retire debt.	Annual Plan, Quartely Financial Reports , Annual Report
\$	Manage net debt to levels no greater than in the forecast debt profile. Specifically in the 1999/2000 financial year closing net debt will not exceed \$57.946 million	Annual Plan, Quartely Financial Reports , Annual Report
\$	A total rate increase of no more than inflation as measured by the most recent actual Consumer Price Index	Annual Plan
\$	Capital expenditure, excluding carry overs, the Hutt Valley and Wainuiomata Wastewater Schemes, the Landfills, Hikoikoi Reserve and Korokoro Gateway Projects will not exceed \$7.290 million in 1999/2999 dollars. Specifically in 1999/2000 capped capital expenditure sill total \$7.160 million	Annual Plan, Quartely Financial Reports , Annual Report
\$	The programme of asset sales forecast to generate \$75 million by 2003/04 will be continued. Specifically in the 1999/2000 financial year, asset sales are expected to total \$9.486 million.	Annual Plan, Quartely Financial Reports , Annual Report

source) Hutt City , Annual Plan, 1999/2000,p.99

that current ratepayers do not pay for benefits received by future ratepayers. - , ② to the extent that any expenditure is independent of the number of persons who benefits; or generates benefits that do not accrue to identifiable persons or groups of persons; or generates benefits to the Community generally, the costs of that expenditure should be allocated in a manner consistent with economic efficiency and appropriate to the nature and distribution of the benefits generated. (public goods principle) ③ the costs of any expenditure should be recovered from persons or categories of persons in a manner that matches the extent to which the direct benefits of that expenditure accrue to those persons or categories of persons (user pay principle), ④ the costs of any expenditure to control negative effects that are contributed to by the actions or inaction of any persons or categories of persons should be allocated to those persons or categories of persons in a way that matches the extent to which they contribute to the need for that expenditure. (exacerbator principle). And according to these principles, they determine by whom and how the costs of each forty important activities of the council should be payed.

For examples, as for water supply, they analysed the nature of goods and determined 80% of the costs should be payed by public (tax) and 20% should be payed by user charge. 80% of cost payed by public should be payed by residential Rates and 18% should be payed by business Rates. They also explain the reason why they determined such proportion in the plan.

Finally in the volume3 which shows long-term financial strategy, they estimate the financial measure in 10 years of each 38 activities of the council.

For example, they show how supply or maintenance cost of the water supply will change in 10 years for the future. The long-term financial



strategy of the annual plan correspond to that of the strategic plan.

So, we could find they make annual plan supported by a proper long-term financial estimate, and with performance measures which enable them to review their performance at the end of the year. Annual plan is resolved in the council, too.

### Code of Service, Asset Management Plan

By the way how do they determine the performance measures which we see in annual plan. It is Code of Service that corresponds to performance measures concerning with the delivery of city services. This Code (enacted in 1996), which amount to 84 pages in total, is a document of service standard covering almost all the city services.

For example, as for water supply, we can see detailed service standard in this document, such that "The water supply to your property will be available at least 99% of the time.", "At least 95% of interruptions to the water supply service to individual properties will not exceed 6 hours in duration and no disruption will exceed 24hours in duration." And, we can see a technical standard such that "The flow available at the point of supply will be at least 15 litres per minute." and a quality standard such that "Water quality will meet New Zealand Drinking Water Standards 100% of the time."

They also show performance measures in order to review performance (How we measure our performance) such that "Annual community survey shows at least 80% of residents are happy with water supply services." "Monthly audits of maintenance and operation of the water supply system carried out and at least 90% compliance with standards achieved." Programme for monitoring water quality exceeds requirements of New Zealand Drinking Water Standards and 100%

compliance with Standards is achieved.”

In addition, they seem to be very sensitive to cost performance because Code of Service shows several cost performance measures such as “We can provide a water supply service for Hutt City to the Above standards at a cost per resident of \$2.30 per week.” (How much the Service Costs)

Many of these performance measures correspond to those shown in the Annual Plan. In this way they can secure the service standard by achieving annual plan.

Besides, Hutt City as usual contracted out service of delivering water supply. In this case the content of contract corresponds to service standards in the Code of Service.

By the way, in Hutt City, the Code of Service has strong linkage with assets management plan, which characterise Hutt City Assets management. Assets Management is a management of infrastructures of the whole city. In Hutt City, they consider assets management as means of delivering service to residents, and try to improve the quality of services as well as maintain and repair assets in assets management plan.

## Annual Report

All local governments are obliged to make an annual report within five months from the fiscal year. In the annual report they show their performances by comparing results with performance measure and with financial estimates.

So, the annual report is really the document of accountability of CEO toward the elected members and that of the elected members toward the residents.

We can also see interesting description in Hutt City annual report in 1997/1998. They reported that the value of their properties went up and debts decreased. Recent good image of Hutt City raises the price of land and decreases debts, they say.

In Japan most local governments don't know exactly how much their debts are because they have neither balance sheet nor current market price list of their properties <sup>(8)</sup>.

Attitudes survey of residents and comparison with other local governments

There are many performance measures in annual plan that measure residents' satisfaction or residents' certain behavior (ex. At least 80% of the City's residents are satisfied with the public halls. At least 70% of residents have seen or read any of Council's published information in the year.). In order to measure these performances, they survey attitudes of 500 residents every year in Hutt City. It is the National Research Bureau (NRB), a private company for survey, that does this survey.

Since this survey is held every year, they can see changes of performances. And we have to emphasize that they compare their performances with those of other local governments. Because NRB concludes survey contracts with many local governments and fundamental part of its survey is common through local governments (each local government adds some questions according to its interest), so they can compare their performances with those of other local governments. Local governments ask themselves how their performance is in comparison with near or peer local governments. And they can appeal their good performance to residents in annual report.

## Human resource management with performance review and accountable management

It is an important point that they have the system which motivates public officials and organizations to attain the goal.

Strategic plan and annual plan are promises of the elected members (mayors and councillors) to the residents. They are reviewed their performance from the point of view of the objectives of these plans by residents and judged by elections. On the other hand, the elected members who employ CEO measure the performance of CEO, whose objectives are decided every year. Though the term of contract of CEO in Hutt City is five years, he can be dismissed in the case of his performance isn't appreciated.

CEO on his part has power to both employ and dismiss all public officials. CEO is responsible for the performance measurement of all of the public officials. He is in charge of human resource management.

There are some descriptions about public officials' performance review in a pamphlet which is given to the public officials when they are employed. It is explicitly printed that officials should decide their objectives and how to attain these objectives which are in turn reviewed by their boss, and these reviews affect their reward, promotion and demotion.

The term of employment contract of senior managers is three years, and renewal of contract has strong linkage with these performance reviews.

Other public officials also decide their objectives respectively and are reviewed with their performances. This is thorough accountable management.

It is true that it is difficult to review performance of public officials because they cannot be reviewed by only one measure such as money and it is necessary to have long - term view point in order to review what public officials have done for the city. But it is also true that we have to change our too much input oriented administrative style. We need system that can enhance efforts of each public official to attain his/her objectives leading it to attain the organizational goal.

### Clear linkage between benefits and payment

Finally, we must emphasize Rates system. It must be one of the most important key elements for policy evaluation and total management of local governments.

At first we can see that annual plan starts with the explanation of Rates. They explain how much they can decrease Rates this year and compare increase and decrease of Rates with neighbor local governments (figure 5). They also show how they did their best in order not to increase Rates.

I don't know any local government's total plan in Japan which starts with the explanation of tax payment. In New Zealand the ratio of inde-

Figure5. CHANGES IN RATES IN THE AREA

Local Authority	1996/97	1997/98	1998/99	1999/2000	1996/2000 Cumurative Change
Hutt City	0.70%	2.10%	0.00%	-1.50%	1.30%
Kapiti Coast	6.00%	9.90%	3.30%	7.90%	29.80%
Porirua City	3.70%	3.80%	3.50%	1.75%	13.40%
Upper Hutt	1.50%	3.30%	0.00%	0.00%	4.80%
Wellington	-4.00%	4.50%	1.20%	9.80%	11.50%
Consumer Price Index ex interes	1.50%	1.70%	1.30%	2.40%	7.10%

source) Hutt City , Annual Plan, 1999/2000,p.4

pendent resource in the income of the local government exceeds 90%. Rates is the main source of their revenue.

There is little financial adjustment like Japan. Therefore expenditure increase means taxpayer's burdens increase directly. The relations between benefits and payment are very clear. Since the rate of Rates change every year, tax payer must pay more if this year's expenditure increase. Linkage is strong from the point of time, too.

Therefore, annual plan, annual report and strategic plan account in detail for their performance, particularly cost performance. Residents aren't satisfied unless Hutt city is managed as much economically, efficiently, effectively as possible. I heard that the all ex elected members of Kapti Coast where Rates increased most rapidly lost their position in last election. Residents don't forgive tax increase without any efforts.

As I said earlier, it was until they emphasized their efforts to reduce debts and not to increase Rates in Strategic Plan that they proposed new project to realize their vision. If we find in our local government's plan such a phrase that "we will start a big project next year, so your Rates increase 10%", how will we act? This is the very reason why they have to review and improve their performance and have to manage the city economically, efficiently and effectively.

Finally I shall introduce an interesting example which I found recently in the homepage of Hutt City. An amendment proposition of the strategic plan came out recently by the report announcement on November 29 because Rates should increase between 6% and 10% in these ten years which had been estimated 16% increase at first. The reason why there is this difference between 6% and 10% is because, Rates should be 6% increase if Hutt city sells pensioner housing, and Rates should be 10% increase if Hutt city doesn't sell them. The long term financial

strategy, part of the Council's draft Strategic Plan, presents the two options for public consideration and public comment.

The council would make a final decision at the end of 2000 February. They, residents have to choose from two options of selling the housing and low Rates increase or maintaining the housing and high Rates increase.

It must be true that policy evaluation (performance measurement) can prove its merits more strongly when benefits correspond to payment. In Japan for most local governments main source of revenue is transfer from central government. In order that we get decentralized local governments and self government in real sense, local governments must have power of taxation than now. Transfer of tax resource is indispensable for decentralization.

#### 4. Present condition of policy evaluation in Kyushu and Yamaguchi area

As I said earlier, in Japan many local governments have recently recognized that they have to study or start self evaluation. In Kyushu and Yamaguchi area, what is the present condition?

##### Overview

According to the survey of mayors of cities, towns and villages in Kyushu and Yamaguchi area by Kyushu Economic Research Center in October, 1999 (figure 6), three local governments is now doing what we call NPM patterned evaluation (performance measurement), fifteen are in the process of trial or preparing to start and 131 are studying how to introduce. That means 44.4% of the local governments (municipals) in Kyushu Yamaguchi area stand in a positive stance.

Figure 6. present condition of performance measurement in Kyushu and Yamaguchi area

	the number of sample	implementing	in trial or preparing	studying	no plan	no answer
Total	349	3	15	131	194	6
	100.00%	0.90%	4.30%	37.50%	55.60%	1.70%
Fukuoka prefecture	57	1.80%	5.30%	52.60%	38.60%	1.80%
Saga prefecture	34	-	5.90%	32.40%	61.80%	-
Nagasaki prefecture	44	-	4.50%	31.80%	63.60%	-
Kumamoto prefecture	51	-	5.90%	31.40%	58.80%	4%
Oita prefecture	27	-	3.70%	29.60%	63%	3.70%
Miyazaki prefecture	21	-	1.80%	38.10%	52.40%	4.80%
Kagoshima prefecture	58	-	1.70%	41.40%	56.90%	-
Okinawa prefecture	19	-	10.50%	26.30%	63.20%	-
Yamaguchi prefecture	29	6.90%	-	44.80%	48.30%	-
mayors of cities	67	1.50%	14.90%	53.70%	29.90%	-
mayors of towns and villages	277	0.70%	1.80%	34.30%	61.40%	1.80%

source) Kyushu Economic Research Center, survey on administration of local governments in 1999

Looking at this survey in more detail, among the eight of prefectures in Fukuoka 34 cities and towns stand in positive stance indicating the highest ratio of 61.5%.

Looking at it separately, the figure shows 70.1% of cities and 38.6% of towns and villages are in this position. That means generally that cities are more positive than towns or villages. On the other hand 55.6% of local governments (29.9% of cities and 61.4% of towns and villages) express their negative position. The main reasons why they have negative stance are as follows. (a)NPM patterned performance measurement system doesn't have merits corresponding to costs (28.9%), (b)there aren't enough persons who have special skills for evaluation (26.3%), (c)they don't feel the necessity to introduce (22.2%) and (d)present NPM patterned performance measures system is not a sufficient tool to evaluate public administration. (16.5%) (figure 7).

The fact that over 150 local governments (municipals) are starting or preparing this type of evaluation indicates that a lot of local govern-



figure 7. Why mayors don't introduce NPM patterned evaluation system(performance measurement)

	total	Fukuoka prefecture	Saga prefecture	Nagasaki prefecture	Kumamoto prefecture	Oita prefecture	Miyazaki prefecture	Kagoshima prefecture	Okinawa prefecture	Yamaguchi prefecture	mayors of cities	mayors of towns and villages
the number of samples	194	22	21	28	30	17	11	33	12	14	20	170
because present performance measurement system isn't sufficient tool to evaluate public administration properly	32	13.60%	14.30%	14.30%	20.00%	17.60%	9.10%	21.20%	16.70%	14.30%	25.00%	15.90%
because there aren't persons who have special skills for evaluation	51	22.70%	23.80%	28.60%	26.70%	17.60%	18.20%	27.30%	50.00%	14.30%	25.00%	25.90%
because almost the same evaluation system has already been introduced	3	4.50%	-	-	-	5.90%	-	3.00%	-	-	-	1.80%
because performance measurement system doesn't have merits corresponding to costs	56	45.50%	28.60%	28.60%	20.00%	35.30%	18.20%	30.30%	25.00%	21.40%	30.00%	28.20%
because they don't feel necessity to introduce performance measurement system	43	13.60%	28.60%	25.00%	23.30%	23.50%	45.50%	15.20%	8.30%	35.70%	15.00%	23.50%
other reason	7	-	4.80%	3.60%	6.70%	-	9.10%	3.00%	-	7.10%	5.00%	3.50%
no answer	2	-	-	-	3.30%	-	-	-	-	7.10%	-	1.20%

source) Kyushu Economic Research Center, survey on administration of local governments,1999

ments recognize the importance of evaluation. On the other hand, over 50% local governments are in negative stance because of cost problem, absense of the necessity and so on.

It is true that municipals aren't suffering from bad financial conditions like prefectures where sharp drop in tax revenue caused by recession making financial conditions worse<sup>(9)</sup>. So, it could be reasonable that municipals don't feel the introduction of self evaluation system as necessary. This is quite different from the case of New Zealand. In principle all local governments in Japan can get enough revenue to cover minimum public service through local allocation tax<sup>(10)</sup> while ratio of local tax which local governments impose residents directly must be within certain degree by law. Because residents can be delivered almost same services for the same amount of tax even if local government is having bad administration and hard up, so residents don't need to know how public services are funded (funded by local tax or by local allocation tax or by subsidies) and how their government's performance is<sup>(11)</sup> though it doesn't mean there aren't any differences in level of public service and satisfaction of residents between local governments.

It maybe a very reasonable recognition of mayors that "NPM patterned performance measurement system dosen't have merits corresponding to costs (28.9%), they don't feel necessity to introduce (22.2%)". But without evaluation how can they meet residents' needs and manage government properly?

#### Introducing evaluation system in Kyushu and Yamaguchi area

Now we shall look at some cases of NPM patterned evaluation (performance measurement) in Kyushu and Yamaguchi area. It will be convinient to classify these cases into three groups according to their

goal. At first there is strong cost reduction oriented type evaluation system, with financial section having jurisdiction. Secondly we can see policy system oriented type which is strongly conscious with policy system being composed of policy - programs - projects. Generally, planning section has jurisdiction of this type. Thirdly there is total management oriented type with newly established section often having jurisdiction.

Cost reduction oriented policy evaluation (performance measurement)

① - Jimu Jigyo Hyoka in Yamaguchi Prefecture.

Jimu Jigyo Hyoka <sup>(11)</sup> in Yamaguchi prefecture is a typical cost reduction oriented type which financial section leads (Somubu - Zaiseika).

Requested by New Administrative Reform Outline of Yamaguchi prefecture (1998) and Human Resource Development Basic Plan (1999), they did Jimu Jigyo Hyoka at first in trial in september 1999. The results were opened to the public in October.

The three purposes of this Jimu Jigyo Hyoka are "Making good finance," "Reforming the consciousness of the public officials," and "Making Transparent Administration". Among 2100 projects, they reviewed about 400 projects which are not subsidized by central government and not obligatory expenses <sup>(12)</sup> which have been carried out more than three years. This is "Toki no Assessment" - like review <sup>(13)</sup>.

Through Jimu Jigyo Hyoka 15 projects were abolished (18.7% of all reviewed) and 237,000,000 yen cost reduction was performed. Because the amount of cost reduction was too little to make prefectural finance condition good, this review was commented to have little effects in several newspapers. But they emphasize they can use the results of this review in making budget next year.

They also emphasize information disclosure. Residents in Yamaguchi prefecture can easily access this review because review report was made so simple to understand and residents can get them at the prefectural information center and nine branch offices of prefecture.

### Cost reduction oriented evaluation ② – Jimu Jigyo Hyoka in Miyazaki City

In Miyazaki City the financial section (Zaimu - bu Zaisei - ka) carried out cost reduction oriented plus  $\alpha$  performance measurement.

When they made the budget for 1999 in 1998, they reviewed 132 projects which are important and newly introduced projects (most of them are newly introduced projects). The reason why their evaluation is “plus  $\alpha$ ” is that they are trying to introduce total management system.

At first they started at the same time as management by objectives in the section of human resource management. They introduced in 1998 a management system that each staff, subsection, section determine their objectives to attain and to review attained results with their objectives. At present though there is little linkage between this management system and Jimu Jigyo Hyoka, they recognize this linkage as important.

Secondly they changed the process of making budget. Each head of department rank their new projects according to priority when requiring budgets from the financial section in 1998. The process of the requirement of budget is as follows, ①each subsection wrote new projects which they wanted to introduce in the sheets (Jigyo Hyoukahyo), ② in each section they were discussed and ranked, ③ in each department they were ranked again considering the ranking at section level and the budget requirement of department was determined. Through these

process as the department - led budget making process emerged.

In Japanese local governments each section often requires budget from financial section while financial section assesses each project. The problem is that in such case it often happens that nobody assesses if a project is effective or not from the view of whole policy area. A project is assessed only from a narrower viewpoint - only from project level. Since in Miyazaki city case each head of department who was responsible for policy area such as social service, agriculture and forest ranked projects from the view of their whole policy area, broader than those of section, so we can assume that budget was made from more policy oriented viewpoint. Policy conscious budget making is important for consistency of administration and effectiveness of projects, programmes and policies.

Thirdly, they devised tools for cost reduction effectively. If it results that a section by reviewing their projects sincerely and proposing abolition of projects may only lead to budget reduction of the section, members of section cannot but be negative to project review and they may say all projects are useful in order to avoid budget reduction . So, in Miyazaki city they devised a budget system in which each section can require as much as three times a amount of cost reduction resulting from review. In this system a section can scrap unuseful projects and get budget for new projects according to residents needs.

#### Policy oriented evaluation ①—Kumamoto Prefecture

Kumamoto prefecture is carrying out evaluation in two levels, Jimujigyo - Hyoka (evaluation for projects level) and Seisaku - Hyoka (evaluation for policies and programmes level) under jurisdiction of planning section (Kikaku Kaihatu - bu Kikaku Chosei - ka). Kumamoto

Prefecture distinguishes Seisaku - Hyoka and Jimujigyo - Hyoka. They say the former is for determining priority of public administration of prefecture, and the latter is for reviewing each projects from the view of efficiency, effectiveness and economy. They carried out Jimujigyo - Hyoka by which they reviewed all important projects for the prefecture in advance in 1999 and now Seisaku - Hyoka is being prepared towards making total plan for Kumamoto prefecture.

They emphasized not so much as cost reduction as realization of results oriented public administration and security of accountability. And they say policy oriented evaluation is indispensable for that. In order to realize policy oriented evaluation, they devised the form of including two levels of performance measures, one of which is outcome of projects level and the other is outcome of programmes level. Each public official who is responsible for projects have to fill out this form. Using these performance measures, they say it becomes possible to recognize the end and mean hierarchy of policy, programme and project.

#### Policy oriented performanc evaluation ② - Oita Prefecture

Oita prefecture, where planning section (Kikaku Bunka - bu Kikaku Chosei - ka) has jurisdiction too, started from Seisaku Hyoka by making total plan of prefecture with performance measure. They say they aim to use policy evaluation not only for using administrative resources efficiently and effectively but also for solving new problems everyday coming out positively.

At first they made 237 numerical performance measures of outcomes for 161 important programs with aim of making new total basic plan for the prefecture. For example, we can see "residents can use home care service at least up to the fifth level in the whole country in 2010" in

this total basic plan draft. This total plan should be concretised in executing plan (plan of budgeting), which will be reviewed by 237 performance measures in every three years.

At the same time they are planning to review 3000 projects (Jimu Jigyō Hyōka) by grouping them into 500 or 600.

In Japanese local governments, it is said planning and budgeting are often managed separately because of sectionalism. So it is our big problem that total plan which planning section made doesn't have linkage with budget and total plan is not implemented regardless of plan and review of plan doesn't affect budget.

So, they want to realize an evaluation system which has strong linkage to budget.

#### Co-operation of planning section and financial section in policy evaluation—Nagasaki City

As I said above organizations of prefectures or big cities are too big and complicated to link planning section and financial section and it is difficult to link evaluation carried out by planning section with budget made by financial section for the next year. Nagasaki city is trying to solve this problem by the co-operation of planning and financial sections in making total plan for the city. New total plan for Nagasaki city will start in 2001. And they are now making performance measures easier for residents to understand.

They aim to make an evaluation system by which the city can put its resources effectively into some important projects because their financial condition is too bad to do all projects they want to do. And they assume in order to do this, policy oriented evaluation (to evaluate from the point of view of policy (broader point) is indispensable.

It is the division of labor and co-operation between planning and financial sections in making the total plan that characterises Nagasaki city planning. Their total plan is to be composed of policies, programs and projects. While the planning section is trying to make performance measures for policies and programs, the financial section which is supposed to assess projects for making budget is trying to make performance measures for projects. Not only are all data owned by both the planning and the financial sections but also they issue documents concerning total plan or projects review by joint signature. By doing this, they aim to secure both policy oriented evaluation and linkage between evaluation and budget.

#### NPM oriented evaluation - Fukuoka city

Finally we shall introduce Fukuoka city challenge which is trying to use various tools in management in private sector. In April 1999, Fukuoka city created administrative management section which is attached to the mayor in order to establish local government which is client oriented, management conscious of public administration and to realize best practice with lowest cost.

Then the Commission of Management was established in August, whose members are CEO of private enterprise, a famous business management consultant, a professor in public administration and so on. This commission is required to investigate how the city can perform results oriented management, cost management, marketing and reform of officials consciousness and to propose what the city should be like in order to be client (residents) oriented.

They started from group interview of officials in August 1999 and made clear problems they were having in executing their daily jobs.



Also they set out four teams – performance measurement team, business accounting team, best practice team and finding problems team – each team is to do case study. A lot of officials are taking part in these teams voluntarily now.

The characteristics of Fukuoka City lies in their emphasize on private sector-like management. They are using not only performance measurement but also various tools which are contributing to the realization of results and client oriented public administration totally. An examination has just begun and still go on.

We are to see how they will be able to establish total management system and realize client oriented public administration.

#### 5. Towards total management system – Mie prefecture

Mie prefecture is famous for its Jimu Jigyo Hyoka that now almost everybody knows. I shall introduce Mie prefecture' challenge though located outside Kyushu Yamaguchi area because I want to emphasize two points. The first is that Mie has been continuously in the process of organizational learning and development. The second is that this development is in the direction towards construction of total management system.

#### Continuous development of organization

Jimu Jigyo Hyoka in Mie prefecture started from reviewing about 3,300 projects simultaneously according to form and reflecting the results of reviews to making budget in 1996 under the strong leadership of prefectural governor, Kitagawa. At the beginning the purposes were reform of public officials' consciousness and reform of the organi-

zational culture of Mie prefecture.

Next they made their total plan “Mie no Kunitukuri Sengen” including 283 numerical performance measures. After that they linked their total plan with Jimu Jigyo Hyoka by grouping projects under title of 526 basic projects and by linking these basic projects with programmes of total plan in 1997.

In 1998 they separated newly introduced projects from continuing projects and reviewed each in different ways. Besides, they started reviewing 526 basic projects. So they had three types evaluation. They disclosed the results to the public on the internet.

In 1999 they changed large part of the system. Firstly they reconsidered the purposes of evaluation and added some purposes such as accountability, secondly they changed year schedule of evaluation in order to make results be better reflected and thirdly they linked total plan with Jimu Jigyo Hyoka more strongly.

Although it seems that these processes had been prepared carefully in advance, in fact these processes must have been like going through jungle. There are some critiques to Mie prefecture experience for example “it is not policy oriented” or not systemic, you know. But people can criticize only after Mie prefecture’s challenge. Before their challenge, none could predict what the results of massive operations and reviews of 3,300 projects, would be. And if they had tried to predict the effects exactly, they wouldn’t have started. In this sense Mie’s experience is a typical learning oriented policy evaluation.

They started from projects review (Jimu Jigyo Hyoka) and through experience and learning they systematized evaluation system gradually such that link Jimu Jigyo Hyoka with total plan for the prefecture → strengthening this linkage by grouping projects under title of basic projects → completing this linkage by linking executional plan of total plan

with projects review. They improved the way to reflect projects review on budget by changing schedule. New purposes such as accountability and improvement of public administration were added. These are all learning and developing process of organization.

### The challenge towards total management system

As I said above, Mie prefecture has made the policy cycle by linking total plan of prefecture with projects review and budget. In 1999 it was almost completed.

Besides, Mie prefecture made and opened to the public its balance sheets and income statement in March 1998. It must enable them to make effective total plan supported by exact analysis of financial condition.

An organizational reform was made, too. In the new system, each section is responsible for basic projects. So chief of section is supposed to manage basic projects and be accountable for their results. Through this system end of basic project equals to end of chief of section. And it is being planned to make a new system what will introduce management by objectives where each official is supposed to be accountable for each project.

From december 1999, head of departments and chief of section are to be reviewed and then yearly bonus depends on their performance. So we can see that the concept of accountable management has been introduced gradually.

In making budget, the way of assessment has changed from the way the financial section assesses each project individually to the way each department determines its priority of projects which the financial section esteems. The financial section is supposed to focus assessment on

basic projects. To determine how projects are managed under basic projects belongs to the department which knows best about its policy area.

By decentralized budget making, policy management and systematizing policy oriented projects - making and review by department, Mie prefecture has come to realize total management cycle—to make a total plan of prefecture supported by reliable financial prediction → to make plan of execution linked with budget and projects review → to determine performance measures linked with plan of execution → to measure performance → to disclose the results of performance measurement → to reflect these results on budget making. And the governor's strong leadership, budget making by department, human resource management with performance review must enable it to make this total management cycle circular better.

## Conclusion

We have seen present conditions of evaluation in Kyushu Yamaguchi area as well as some cases which must provide us useful informations. Now we understand that it is indispensable for effective evaluation to be policy and feed - back oriented. And we can see that it is total management system that enable accountable management and policy learning, too.

Some local governments in Kyushu Yamaguchi area are challenging now. They have to make policy oriented total plan and link their total plan with performance review and budget. At the same time they have to make policy cycle circular in fact, too. And they have to make total management system including human resource management and accounting.

Also, we have to emphasize that disclosure of information and participation of residents are indispensable for successful policy evaluation though in this report we have mentioned little about them.

NPM patterned policy evaluation where officials determine performance measures and review themselves has a lot of merits such that it is simple and easy to understand while it has some demerits because it lacks objectivity and exactness. Therefore disclosure of review is indispensable for NPM patterned policy evaluation. Self evaluation which tends to lack strictness must become strict if evaluation is disclosed and residents ask about them. It is more the case if results are disclosed on the internet to everyone all over the world. And disclosure motivates residents who see evaluation to participate in public affair. As a result, a new policy may be developed by new ideas of residents.

At last I want to emphasize that it is very important to be conscious continuously on what and who evaluation is for. NPM changed “abstract citizen” to concrete “clients” or consumers. It must be the most important key element whether we can keep this consciousness or not, in order that NPM patterned evaluation could be authentic policy evaluation, not evaluation only by appearance.

(1) for example 「特集事業評価・行政評価の可能性」地方自治職員研修、1998年9月号、「特集 政策評価の可能性を問う」月刊自治研、1998年12月号、「特集 地方自治体における政策評価」月刊自治フォーラムvol.474、1999年、「特集自治体行革・最前線」地方自治職員研修、1998年11月号など。

(2) The number of local governments in Japan is 3,279 in 1998. Dept expenditure burden ratio is an indicator of rigidity of financial condition. In general it is said that 15.0% of dept expenditure burden ratio indicates the dangerous level of financial condition.

(3) Kikan Inin jimū is often transformed agent-delegated duties in English. The execution of agent-delegated duties done by prefectural governors is done

The execution of agent - delegated duties done by prefectural governors is done under the supervision of the relevant ministry and the execution of agent - delegated duties done by mayors is done under the supervision of the governor. As for these duties governors and mayors are strictly limited in their activity by laws, ordinance and circulation. Local assemblies are not permitted to make bylaws in this area.

- (4) 窪田好男(1998)「NPM 型政策評価と政府の失敗—地方行革との関連で—」会計検査研究no,18 1998年9月、pp.47 - 62
- (5) see. J. Boston et al. "Public management: the New Zealand Model"., p.26
- (6) see. 山本清(1998)「政策評価をめぐる議論と市民参加モデル」月刊自治研、1998年1月号p.26 - 32
- (6) We got information about Hutt city to write this section from interviews with M. Rodger Kerr - Newell and other public officials in Hutt city and from a lot of documents Hutt city gave.
- (7) Christchurch is sometimes called People's Republic of Christchurch by New Zealanders.
- (8) The importance of knowing the exact financial condition of local governments in Japan is now being recognized. The Ministry of Home Affairs announced 13 March in 2000 the manual for making balance sheets for local governments which is to enable all governments to make balance sheets easily though in this manual value of their assets aren't estimated in current market price.
- (9) Because important tax resource of prefectures are corporation tax (38.7% of revenue in 1997), impacts of recession are stronger to prefectures than municipalities whose main tax resources are fixed property tax (41.6% in 1997.)
- (10) Local allocation tax is granted to secure equitable distribution of financial resources among local public bodies and to guarantee sufficient revenue to execute planned administration in each locality. Under this system, the national government reserves a certain ratio of national tax revenues as a common fund for local bodies. It then distributes funds to each local public body according to their needs and local revenue sources, based on a detailed equation determined by the national government. (Tokue Shibata ed., "Japan's public sector", university of Tokyo press, p. 149)
- (11) So - called Jimu Jigyo Hyoka is a kind of self evaluation of projects level. Generally prefectures have 2000~3000 projects. In Jimu Jigyo Hyoka we review efficiency and effectiveness of all or some of these projects.
- (12) Obligatory expenses are composed of salaries and wages, social assistance and bond charges.
- (13) Toki no Assessment was carried out in Hokkaido at first to review public undertaking (Kokyo Jigyo). They reviewed some of public undertaking of

Hokkaido which have not been undertaken though planned long time ago and whether those public undertakings were necessary for residents or not.

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