



Melco Foundation
Management Accounting Research
Discussion Paper Series



The Melco Foundation

Melco Management Accounting Research Discussion Paper Series

No.MDP2017-003

**New Public Management and Participatory Budgeting in a Vertical Society:
A Japanese Story**

January 2017

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Abstract

This paper examines a case of participatory local government budgeting in Japan, and offers explanations for a lack of citizen engagement and poor political participation in the process. X council, a local government unit, was studied intensively through interviews and observations. Reforms such as the direct participation of citizens have achieved questionable success. Participation of a sort does occur, albeit in an alternative format through lobby groups. The budget desk and departments of the council remain the most powerful actors in the budgeting process, whereas the assembly members function through lobby groups rather than being part of the process. The assembly provides an official rubber stamp rather than countering the power of the mayor.

Keywords: NPM, Culture, Participation, Budgeting, Vertical Society, Japan

1. Introduction

This research concerns participation in local government budgeting in Japan. Many accounting researchers have been interested in understanding new public management (NPM) reforms in a variety of structural conditions (Ashraf and Uddin, 2016). Over the last decade, participatory budgeting has been one of the most widespread NPM reforms undertaken by local governments, with 1,500 participatory budgeting instances in various countries (Célérier and Botey, 2015; Ganuza and Baiocchi, 2012). NPM ideas began to penetrate Japan during the early 1990s (Yamamoto, 1999; Kim, 2010). Previous studies have suggested that political affairs and prevailing social and cultural values in Japan are significantly different from those of Western countries (Nakane, 1970; Van Wolferen, 1989). The adoption of NPM reforms in decentralised regions of Japan, which have advocated an Anglo-Saxon attitude toward governance, is likely to raise interesting issues. Nevertheless, studies in this area, especially in the English-speaking world, are difficult to find.

NPM in local government, including participatory budgeting, has been subject to scrutiny in many countries, especially in Europe and the USA (Nyamori et al., 2012; Osborne, 2006; Benhabib, 1996; Gusmano, 2013; Rossmann and Shanahan, 2011; Ahrens and Ferry, 2015; Lapsley, 2009). Many studies have been carried out to identify the outcomes and consequences of participation in budgeting (Dahl and Soss, 2014). For instance, some studies have argued that participation is more of a threat to than an opportunity for the renewal of democracy (Nyamori et al., 2012; Hong, 2015). Recently, Caperchione et al. (2014) have stated that citizens' participation in the budgeting process appears to have been a means of exonerating governments from inevitable budget cuts. Interestingly, fewer studies have examined how the budgetary participation process operates and interacts with the local context, and especially with cultural conditions, which may provide deeper explanations for why NPM technologies such as participation produce a variety of unanticipated consequences.¹ We seek to fill this gap by drawing on a Japanese case of participatory budgeting in a local government.

The NPM reforms in Japan led to the delegation of more responsibility from central to local levels for decisions on and provision of a range of public services (Kim, 2010). Recent cutbacks and ever-decreasing resources seem to have motivated local governments in Japan to adopt NPM-style participatory budgeting in order to identify and justify their activities. Two levels of participation have been attempted: political participation and the direct participation of citizens. Political participation has long been in place through the direct election of mayors and assembly members. This has been

further strengthened by the idea of direct participation, for instance by engaging citizens in the selection of local priorities. In recent years, increasing numbers of Japanese local governments have introduced measures to involve citizens in their budgeting processes, as well as in making decisions on local affairs (Matsubara, 2013). The purpose of this paper is to investigate the nature and extent of participation in the budgeting process of X city council office, a Japanese local government frequently cited for championing citizens' participation in the budgeting process. We also examine how cultural conditions interact with the idea of participation in budgeting.

The paper begins with a brief review of local government budgeting and participation. This is followed by an introduction to a theoretical framework presenting the cultural conditions of Japanese society, and a description of the research methods adopted. The empirical findings are presented and set in the context of the cultural norms of Japanese society, and the paper finishes with some concluding remarks.

2. Participatory Budgeting in Local Government

Citizen participation in budgeting and policymaking are considered to be an important means of strengthening civic skills, capacities and duties, thereby developing a sense of community (Bryer, 2014; Michels, 2011; Musso et al., 2011; Neshkova, 2014). In Western democracies, the adoption of participatory budgeting has been linked to political emancipation and the revitalisation of local democracy. It has been envisaged as a tool through which to articulate a deliberative or participative form of democracy in which citizens have opportunities to engage in local authority decision-making processes and have a say on issues that impact directly on their wellbeing (Burns et al., 1994; Fung, 2006; Flinders and Dommett, 2013; Ariely, 2013; Tholen, 2015; Shah, 2007). This has also spread to non-Western countries (van Helden and Uddin, 2016; Uddin et al., 2011; Kuruppu et al., 2016).

We observe at least two distinct streams of literature on participatory budgeting. Many studies, conducted mainly in Europe and the USA and largely critical in nature, have focused on its results and unintended consequences. Participatory budgeting has played a role in many contexts in undermining the level of trust between politicians and citizens (Michels and De Graaf, 2010). Im et al. (2014) state that citizens' disassociation from participatory budgeting has become more extensive in some local government units owing to the manner in which local politicians have deployed it to advance their personal objectives and to create an element of political patronage rather than genuinely

to serve the citizens. Ebdon and Franklin (2006) have demonstrated the failure of many US cities and local governments to elicit participation in the budgeting process. Despite the adoption of various methods, including public meetings, focus groups, simulations, committees and surveys, attendance at budget meetings has remained low and unrepresentative and has suffered from groupthink (see e.g. Irvin and Stansbury, 2004). In a similar vein, Wampler (2007) posits a lack of technical and analytical skills amongst politicians and citizens as a key factor which has had unintended consequences for the implementation of participatory budgeting. Domination of technical experts, limiting the capacity of citizens to influence the budget, is evident in the extant literature (Fung, 2006; Gusmano, 2013; Lowndes and Wilson, 2001; Lyon, 2000; Hong, 2015; Musso et al., 2011; Célérierand Botey, 2015). Individual citizens have therefore played a minimal role in the budgeting process, and vertical government decision making has remained intact in many European local governments, despite the adoption of participatory budgeting (Beckett and King, 2002; Michels and De Graaf, 2010). Some researchers argue that, in many local government units, participatory budgeting has become merely a consultative process and legitimacy tool, with no direct consequences for the final budget (Lapsley, 2008; Bräutigam, 2004; Adams, 2004).

Other studies on participatory budgeting have been more concerned with the lack of engagement of wider stakeholders in the process, especially citizens at large, citing mainly material reasons such as economic austerity and lack of discretionary budgets. In their study of a public university budgeting committee, Rossmann and Shanahan (2011) argued that there was little room for adjustments to budget allocations, which made citizens' participation in the budgeting process a merely ceremonial event. Ahrens and Ferry's (2015) study examined the situation of Newcastle City Council, which was subject to budget cuts of about 30 per cent of its uncommitted funds over three years. The budget cuts forced the council to take a political decision to involve grassroots groups and citizens in the budgeting process as part of a strategy to mitigate the wrath of the citizenry and shift the blame to central government. Similar attempts to engage citizens ceremonially in the budget process and engender consensus on local spending cuts have been evident in other countries (see e.g. Almquist et al., 2013; Caperchione et al., 2014).

The studies presented above have concentrated on outcomes and lack of engagement in the participation process, citing mainly material (economic) reasons. Little attention has been paid in the literature to exploring how the process of participatory budgeting interacts with cultural conditions and perhaps better explains the lack of citizens' engagement in the participation process. The importance of cultural conditions has been acknowledged in the literature. For instance, Irvin and Stansbury

(2004) have argued that low and unrepresentative participation in the budget process may be indicative of a local culture characterised by citizens' undisputed acceptance of decisions undertaken by politicians. Flynn (1998) has argued that some cultures are simply unused to the idea of participation, and therefore the process and outcomes of participatory budgeting may be very different from initial expectations. In a similar vein, Stiglitz (2002) has stated that local politics, context and culture may be key determinants in materialising NPM reforms, particularly participatory budgeting. None of the above studies has examined how local cultural conditions interact with imported participatory budgeting processes advocated by NPM ideals rooted in different cultural context. This is perhaps due to the fact that very few studies have been conducted on participatory budgeting processes in local governments in non-Western contexts (van Helden and Uddin, 2016; Uddin et al., 2011). The need for more culture- and context-specific studies has long been identified in the public sector in order to clarify the processes, consequences and outcomes of NPM reforms across countries (Broadbent and Guthrie, 2008; Guthrie et al., 1999; Hood, 1995). Studying the budgeting process in X city council in Japan has provided an opportunity to examine the interactions between local cultural conditions and the elements of NPM ideal-driven tools such as the participatory budgeting approach.

Previous studies in Japan have questioned the applicability of NPM ideals to the Japanese public sector. For instance, Yamamoto (1999) has stated that Japanese local culture has often been characterised by secrecy, with a lack of transparency in political decision-making processes. It has therefore been claimed that NPM reforms and their underlying rhetoric, such as "value for money", "improved performance and participation" and "transparency", have had little impact on Japanese people and their day-to-day routines (Yamamoto, 1999). However, fiscal stress and budget cuts have altered the environment in the country, in that NPM measures such as participatory budgeting have increasingly attracted the attention of local government units (Sintomeret al., 2012; Yoshida, 1990). Matsubara (2013) states that participatory budgeting has now become one of the most widespread NPM reforms in Japanese local governments. Very few studies have examined the suitability of Western technologies to Japanese cultural conditions. In examining the extent of participation in the budgeting process of X city council, which has been cited as a champion of participatory budgeting, we shed light on the role that culture may play in shaping NPM tools such as the participatory budgeting approach.

3. Vertical Society –the Japanese Way

This paper draws on Nakane's (1970) work on Japanese society, which has sold more than a million copies in Japan and has been translated into English with the title "Human Relationships in a Vertical Society". Nakane's (1970) main focus was to understand Japanese society by examining the Japanese "individual", group formation, and relationships between group and individual and between groups. Cultural conditions have obviously not remained static over the four decades since Nakane's (1970) work was written, and it has also been criticised by scholars as somewhat outdated and purely structuralist. However, our focus is on some of the fundamental features of Japanese cultural traditions informed by the most recent Japanese literature. We do not claim that culture fully explains how and why the Japanese do things but, as Nakane (1970) claimed, it provides an understanding or angle from which to understand Japanese society (Curtis, 1999; Kim, 2010).

Nakane (1970) began with the two concepts of "frame" ("*Ba*" in Japanese) and "attribute" to capture how individuals see themselves in a group and in a society at large. Frame indicates a location or belongingness, while attribute indicates profession or position. Nakane argued that, for a Japanese individual, frame is important. Identifying with a particular frame – a company, family or group –or, in other words, a collective is considered to be the primary means of introduction. Japanese people will often (though less so in modern times) introduce themselves to an outsider as "I am from B publishing Group" or "I belong to S university", rather than saying "I am a sales clerk" or "I am an accountant". Although the significance of the workplace as a frame has reduced due to the economic downturns of the last thirty years, the primacy of group over individual is still manifest in the everyday lives of the Japanese people (Benedict, 1988; Davis and Ikeno, 2002; Yamamoto, 2013; Segers, 2008).

According to Nakane, social grouping in Japan is often constructed in terms of a particular reference, usually on the basis of a frame of group members with differing attributes. In order to sustain this kind of diverse group, coherence is crucial. Theoretically, in Nakane's view, this can be done in two ways: by influencing members with a feeling of oneness or unity, and/or by creating an internal structure which ties individuals in the group to each other and thus strengthens the organisation. In practice, these two modes occur, are bound together and progress together. This is further elaborated below.

In order for members to have a feeling of oneness or unity with the group, people with different attributes are led to feel that they are members of same group consciousness of “us”. There develops internally a sentimental tie between “members of the same troop”. This emotional approach is facilitated by continual human contact of a kind that may often intrude into the personal sphere. Although less frequent in modern days, this characteristic used to be seen in businesses and public organisations with lifetime or long-term employment systems. Such relationships between employer and employee cannot to be explained in contractual terms, but are recognised in terms of a big family. The company/group buys not only labour hours but the total man, as shown in the expression *marugakae*, a Japanese style of management meaning literally “total enveloped”. Although long-term employment in the private sector and seeing the company as a family has declined over the last three decades (Segers, 2008), the Japanese preference for “*Ba*” or latent group consciousness remains strong. Japanese emotional investment in groups is manifested in the way they speak about their groups. Oneness is frequently expressed – “our company”, “us” – in everyday private and public conversations. As Nakane (1970, p.4) put it:

... latent group consciousness in Japanese society is expressed in the traditional and ubiquitous concept of *ie*, the household, a concept which penetrates every nook and cranny of Japanese society. The Japanese usage *uchi-no* referring to one’s workplace indeed derives from the concept *ie*. The term *ie* has also implications beyond those to be found in the English words household or family.

Interestingly, Nakane argued that oneness is also strengthened by differentiating the group from other groups/frames (“us” versus “them”). Hence, there is often fierce rivalry and hostility towards other groups. Such hostilities are so intense that inter-group/-frame cooperation is often problematic. To explain this, Nakane (1970, p.102) argued that “a Japanese group, the internal composition of which is heterogeneous, has a character homogeneous with that of many other groups. Hence, there is no necessity for positive relations with other groups; instead, relations tend to be hostile or competitive.” The entire society is composed of numerous competing but independent groups. Nakane reflected on how the hostile nature of competing and self-contained groups, whether political or civil society groups, contributed to the acceptance of vertical state authority.

The internal structuring of the group is also very important for group coherence and survival (Abegglen, 1958; Aoki, 1988; Suzuki, 2011):

A group where membership is based on the situational position of individuals within a common frame tends to become a closed world. Inside of it, a sense of unity is promoted by means of members' total emotional participation, which further strengthens group solidarity. In general, such groups share a common structure, an internal organization by which the members are tied vertically into a delicately graded order (Nakane, 1970, p.39).

In a social group with different attributes, this tie will be based on vertical relations. Vertical systems link two individuals who are different in quality, such as parent and child, or superior and inferior. A vertical relationship emphasises differences between members, or develops a very delicate and intricate system of ranking within it (Abegglen, 1958; Milgrom and Roberts, 1992). The most fundamental criterion is relative age in the organisation, year of entry into the company or length of continuous service; for example, among professors at the same college, rank may be assessed by the formal date of appointment. This sense of seniority in Japan is very important in any formal or informal occasion (Mizutani 1995).

In vertical group formation, three categories of relationship are found to exist: *sempai* (seniors), *kohai* (junors) and *doryo* (equal). These differentiations are clear and are expressed both publicly and privately, and this order is maintained, irrespective of an individual's status, qualifications, popularity or frame (Mizutani 1995). As Nakane put it, "there is a deeply ingrained reluctance to change the established order. The relative rankings are thus centered on an ego and everyone is placed in a relative locus within the firmly established vertical system" (1970, p.28).

This vertical organisation, fixing the ranking of participants from its beginning, is reflected in various organisational literature (Yashiro, 2011). For example, the line manager of a group has strong power drawn from the emotional confidence of a subordinate. It must be noted that this vertical relationship does not necessarily mean that the leader or *sempai* would take the initiative. In fact, Japanese organisations have traditionally had bottom-up decision-making systems that encourage subordinates to take initiatives within the comfort zone of the leader (Kitamura 2013). The strength of hierarchical arrangements in Japan is such that no material indicators are needed to reinforce it (Curtis, 1999). For instance, communal eating, company uniforms and car parks without special areas reserved for management are common practices for Japanese corporations, in sharp contrast to corporations in the UK and USA. The leader is also seen as someone who facilitates an environment in which *kohhai* juniors can work effectively (Horie, 1990). In other words, maintaining "wa" (harmony) is an important element of leadership. A lifelong emotional bond between *kohhai* and *sempai*

is the most important element in maintaining the vertical structure. In Japanese society, the philosophy of each is defined by others or, more precisely, "I and somebody have a relationship or will have a relationship in the future" (Abe, 2005).

The Japanese word "*seken*" perhaps expresses more accurately the role of the individual in the group, and indeed in Japanese society. Being in *seken* means that all members of the group should act cohesively or "*seken* will purge individual differences to impose *Wa*, oneness or unity without any debates and questions" (Kitamura 2013; Abe, 2005). This needs no further justification, given the cultural conditions of the Japanese individual. Van Wolferen's (1989) comment on Japanese political power reflects this: "Japanese who disagree with the way in which the system works and who translate their discontent into political actions are considered subversive and looked upon as potential bomb-throwers" (p.196). In summary, the primacy of group over individual and frame over attributes, group rivalries, and a deeply embedded Japanese consciousness of vertical relationships and oneness or *wa* have serious implications for how an organisation works. It is therefore interesting to examine how notions such as "participation" are implicated in the everyday lives of Japanese organisations. We examine these cultural conditions in relation to the workings of citizen and political participation in budgeting in the X case. Drawing on cultural perspectives to understand accounting practices is not new (Gray, 1988; Ansari and Bell, 1991; Wickramasinghe and Hopper, 2005; Efferin and Hopper, 2007; Bryer, 2014). The contribution of this paper is to apply it in the context of NPM reforms. Theoretically, the paper demonstrates the usefulness of culture in the engagement (or lack thereof) of citizen participation in the budgeting process.

4. Research Methods

Conducting a social scientific inquiry in public sector organisations in traditional societies is a challenge (Uddin and Choudhury, 2008). Although Japan is very developed, being a very vertical society (*seken*) it offers different types of challenges, especially in gaining access to interviewees. The professional connections of the first author with a key contact in X University who had previously worked in the city council provided us with the necessary access. In line with the theoretical orientations, our data collection focused on identifying societal and cultural conditions as well as actors' interpretations and actions. One of the authors, a native Japanese, has been researching local government for several years. Our data consist not only of interviews and conversations but also of personal observations and this author's subjective experience.

Data for this case study were collected in 2014 over a span of one year, including multiple visits to the city council and the collection of documents.

Important data sources for the identification of societal and cultural conditions included a preliminary review of the historical literature on X council, as well as the broader politico-economic historical literature, such as analytical commentaries on Japan's political and economic situation and on local government in general. The review was conducted with specific reference to identifying the structural conditions surrounding local government. As a next step, in order to develop a better understanding of the structural conditions faced by the key actors in X, we also collected news reports, annual reports and official documents relating to X. These reports proved very useful for developing a general understanding of the conditions faced by local government actors in general, and in X in particular.

Interviews were one of most important sources of data contributing to an understanding of local government budgeting practices. Two authors (one native speaker) were involved in facilitating the interviews. Prior to the interviews, both authors visited the research site and arranged appointments with the informants. In total, nine interviews were conducted with 18 interviewees. The interviews were conducted mainly in Japanese, but translated immediately into English so that the non-Japanese author could follow them. Most interviews lasted around 60 minutes and were digitally recorded. They were conducted with key stakeholders, comprising one community leader (user of local government services), one ward official, five assembly members, ten local government officials, and one professor (retired from the city government, with experience in the budgetary department). A number of issues was discussed during the interviews, including the nature of budgeting; the level of participation; the role of departments, politicians (assembly members), community members and the general public in influencing budget decisions; and the role of central government and civil servants. After completing each interview, the authors discussed the interview data and reflected on the findings to prepare themselves for the next interview.

The second round of interviews at the local council was based on knowledge acquired from the first round. Only one interview was held, with the deputy mayor. Our attempt to interview the mayor was unsuccessful. The selection criteria for interviews were based on the principle of theoretical sampling (Mason, 2002). According to this principle, we chose respondents who were important for the theoretical insights that we were trying to generate. In line with our theoretical aims, we were interested in understanding the participation of key actors in the budgeting process. Most interviews took place in the workplace, while some, especially those with politicians, were held in

different locations, including one in a café. In all cases, we were allowed to record the whole interview. We presented our initial findings at seminars held in Shizouka and Essex attended by Japanese local government researchers. These interviews were further corroborated and complemented, especially by letters and reports published by the X council, previous studies (in Japanese) and local government associations. In addition to the interviews, one author attended an assembly meeting and watched assembly meetings on YouTube.

Having collected the data, the next stage was an analysis of the interviews in two forms: uncovering the structural conditions, and determining the key actors' understanding of the practices. In this line of analysis, we developed themes that captured the contextualised interpretations of agents and their actions (Mason, 2002). Our main aim was to make sense of the participation of citizens and assembly members in the budgeting process. Themes were developed to demonstrate the extent of participation at each stage of the process. Our final analysis involved converting all data relating to cultural conditions and agents' actions into deeper and more meaningful theoretical narratives. In order to do this, we drew on Nakane's work on the vertical society and identified key themes to interpret the findings and agents' interpretations of budgeting practices. As we interpreted our findings, we constantly reworked our themes to capture deeper explanatory nuances of the data and to theorise the process of participation in the budgeting process.

5. Governance and Reforms in Local Government

Local governance has been enshrined in the Japanese constitution since 1946, born out of Japan's historical legacy. Local government units provide a wide range of services to citizens, covering virtually everything except diplomacy, defense, currency and justice. This is reflected in the income and expenditure of local government units: local government spends almost three fifths of the total tax revenues and employs three million people. Japan's local autonomy system has a two-tier system of local government: prefectures and municipalities.ⁱⁱ These are further divided according to geographical conditions, population size and scope of local administrative services. Prefectures are regional government units, and municipalities are basic local government units. The population and area of prefectures and municipalities vary greatly,ⁱⁱⁱ yet the principle of uniformity is maintained in terms of similar power, organisation, administrative operations and financial capabilities. National government

employs various financial tools, such as localisation tax, to maintain parity between municipalities and prefectures.

Prefectures and municipalities are independent of each other. Nevertheless, prefectures provide some guidance to municipalities from a regional perspective when necessary. Each type of unit has separate functions, but municipalities are more closely connected with residents' daily lives. The largest city within a municipality is often formally designated by the national government, and its power and functions are often similar to those of prefectures in core areas such as social welfare, public health and urban planning. Designated cities are further divided into administrative wards. X, our case study, is a formally designated city; hence, its functions are similar to those of a prefecture.

There are two branches at the heart of local government in Japan: legislative and executive. The legislative branch is composed of representatives from local communities elected through adult suffrage, and makes decisions on the budget and local ordinances. Prefecture assemblies and municipal city councils fall under this heading. They comprise the mayor or governor, plus assembly members, all of whom are directly elected by local residents for four years. The number of assembly members depends on the size of the population. Matters to be decided by the assembly are set by laws and ordinances, especially important among these being voting on the budget. The other branch is the executive branch, which implements policies decided by the legislative branch. The governors of prefectures/mayors of cities and the heads of municipalities and special administrative committees/boards fall under this heading. The administrative committee/board is expected to run its affairs independently, without the intervention of other agencies and bodies. Committee members are appointed by the mayor/governor for four years. The mayor is the head of both legislative and executive branches, and has general control over all executive agencies involved in preparation and implementation of the budget. The mayor/governor has the power of veto over the local assembly/city council, mirroring the powers of the US presidency. Nevertheless, the chief executive may be dislodged from power if the required number of citizens submits a petition, or if two-thirds of the assembly members carry a no-confidence vote.

6. X Case

6.1 Overview

X is a typical industrial city in Japan. In 1900, the newly Westernised Meiji government established X as an “iron city”. Since then, X has grown economically and in population. The local government reforms in Japan have significantly shaped X council since 1990. Long before the reforms, since 1970, the economy of X has been gradually shrinking. In the context of overall economic decline of Japan, the central government began to delegate administrative burden to local government without sufficient funding (Tanaka, 2010). X, like other councils, had to take series of initiatives driven by NPM ideals such as ‘prioritization of efficiency’, ‘client-based orientation’, ‘emphasis on results’, to reduce costs and meet the challenges of service delivery to local citizens (Tanaka, 2010). Thus, reduction in staff numbers and outsourcing local council tasks such as garbage collections, transports etc have been common themes during the last two decades in X and other councils. In this context, direct citizen participation agenda was adopted in 2008 in X. In X, the economic decline is further compounded by steady increase of elderly population. For instance, 25.1 per cent of the population was elderly in 2010 and this is predicted to grow to more than 30.0 per cent by 2020, so social welfare costs have been rising, making a strong dent in the city council’s finances. Annual cuts are a common phenomenon for city council officials. Table 1 depicts the council’s budgets for the three years from 2011 to 2013.

Table 1 X revenue budget for 2011 to 2013 financial years

	2013		2012		2011	
	1,000JPY	%	1,000JPY	%	1,000JPY	%
<i>Unconditional revenues</i>	278,868,408	54.4	284,884,855	54.1	286,988,330	54.9
Locally raised	200,187,639	39.1	203,059,556	38.5	203,981,586	39.0
National grants	56,473,462	11.0	60,064,649	11.4	61,823,800	11.8
Prefecture grants	22,207,308	4.3	21,760,650	4.1	21,182,944	4.1
<i>Conditional revenues</i>	233,359,820	45.6	241,941,918	45.9	236,011,073	45.1
Locally raised	122,572,387	23.9	136,873,043	26.0	130,319,892	24.9
National grants	91,118,624	17.8	85,843,707	16.3	85,906,002	16.4
Prefecture grants	19,668,809	3.8	19,225,168	3.6	19,785,179	3.8
Total	512,228,229	100.0	526,826,773	100.0	522,999,403	100.0

It is clear from the table that revenue is decreasing, and that almost 55 per cent of the total budget is under the local government’s discretionary power. Further scrutiny reveals that half of the so-called unconditional revenues are in fact committed to fixed

costs such as personnel, public assistance and the cost of public debt. In theory, the remainder is not fixed and may be influenced by assembly members, as citizen and political representatives. As explained earlier, the mayor is the key power holder, directly elected by the population. Sharing the mayor's spending power through direct engagement with citizens and assembly members has increasingly been considered to be important in the Japanese local government context, and NPM-driven budgeting seems to provide a ready-made solution.

The budget cycle comprises six distinct steps. First, the cycle begins in mid-October with an announcement by the mayor and setting out the budget principles. Second, local government departments prepare their departmental budgets and send them to the budget desk by late October following the announcements. Third, by late November, the budgetary division compiles the budgets and opens them up to citizens for comments. Fourth, in early January, the budgetary division begins to assess and revise the budgets to be approved by the mayor by the end of January. Fifth, the mayor provides feedback directly to citizens in mid-February and puts the budget to the assembly. Sixth, assembly members deliberate on the budget and officially approve it by mid-March. With reference to the actual budget cycle for the year 2013-14 in X, these phases were examined and discussed in relation to direct citizen and political participation in three important stages of budgeting, as detailed in the following sub-sections.

6.2 Budgetary Proposals: Vertical Negotiation

The principles of the annual budget result from the functioning of a three-tier planning system: strategic plan, master plan and implementation plans. The strategic plan dictates a general framework and guidelines for the next ten years. The master plan specifies the objectives and projects to be undertaken in order to realise the strategic plan. X council claims that both are the result of wider public consultation. Implementation plans are detailed budgetary documents covering 10 years, reflecting the master plan. The annual budget is part of an implementation plan. The present research did not examine the participatory process of the long-term plans, but interviewed key people to understand the process of the annual budget.

The principles set for annual budgets reflect the implementation plans. These principles are mainly the remit of the mayor, who has overall authority to prioritise or ignore specific policies or projects. The mayor does not undertake any active consultation before setting out the principles each year. The budget desk, headed by the

deputy mayor, circulates the budget policy document at the behest of the mayor. The main task of departments is to comply with the policy and propose a budget.

One of the most important aspects of the annual budget policy document, particularly in recent years, is the cost-cutting agenda. Commenting on the cost-cutting policy, an executive director/senior staff member on the budget desk of the budget division stated: *“The policy of budget proposal is that each bureau should compile its budget within its discretionary budget. We propose a decrease to such discretionary budgets every year. So in this 2015 budget, we have proposed a four per cent reduction in the discretionary budget.”* The budget desk does not anticipate much resistance to its cost-cutting announcements, which it sees as a reality. The practice is to send a letter to each department detailing the percentage to be cut, together with the rules and principles of the budget, at the beginning of the budget cycle. A senior official from the budget desk commented: *“Basically, every budget proposal is within the budget policy set by the mayor. However, we discuss with them the timing, the ingenuity of the service offer, and the cost of service (compared with other designated cities).”*

It appears that departments have no option but to comply with the cost-cutting rate. Departmental heads must make a case if the specific rate is not to be achieved. Commenting on budget cuts, an officer from the public health and welfare bureau of the general affairs department, stated: *“We compile the budget being aware that there will be a cut from the budget desk.”* Departments take various steps to meet the budget cuts, for instance by reducing their activities, personnel costs and administrative costs, providing reduced services in certain areas, and seeking cheaper delivery alternatives. An accountant at the Public Health and Welfare Bureau shared his experience of facilitating negotiations with local associations of the elderly:

We make the arguments to re-adjust current projects with a view to reducing the expense. For example, we seek to deliver the services in a cheaper way. For example, we have reduced the celebratory money allocated to elderly people to ease the pressure on our budget. We have also squeezed five per cent of their budget allocated for business trips and purchases.

It is interesting to see how budgets cuts are handed down to departments. The budget desk confirmed to us that there are some negotiations but little resistance from departments because they know this has to be done. Vertical social order is clearly reflected in how negotiations are handled in cases of disagreement with the cuts or any other matters. One official from the budget desk said: *“We negotiate this with the managers, directors and even the chief executive of each department and ask them to*

adhere to the budget policy. If a compromise is not reached, it goes up to the deputy mayor in charge of the budget desk.” Negotiations between departments and the budget desk are of a top-down nature. Negotiation begins at managerial level and, if unresolved, goes up to director level, followed by head of department level. Ultimately, the deputy mayor’s decision is final. Although there may be some discomfort within departments, promoting oneness and maintaining “*wa*” is much more important (Nakane, 1970; Abe, 2005). The deputy mayor, being senior to the heads of departments, perhaps also facilitates the process of acceptance.

One of the most important jobs for the budget desk is dealing with proposals from departments. The budget desk often decreases or increases the allocation of costs to line items. A key official on the budget desk said:

In 2014, students in primary and junior high schools achieved a lower performance against national standards. This is an important agenda for the city and mayor. Under these circumstances, the Board of Education made a budgetary proposal for supplementary after-school classes in about ten schools. To respond to the mayor’s wish, the budget desk proposed that the Board of Education should double the monetary value of the project in the assessment process and obtained the mayor’s approval.

Budget desks frequently reject departmental proposals, but it was extremely difficult to discern from the documentation why this should be so. Very few explanations were provided. Our departmental interviewees suggested that it was ultimately for the budget desk to decide, depending on its priorities. Nevertheless, the documents did not provide any detailed explanations or rationales for increasing or decreasing the budget limits. There was little in the public domain to capture differences between proposals and approved budgets.

In preparing the annual budgets, especially to include new capital or revenue items, departments give the utmost importance to mayoral election promises. This was reflected in our conversations not only with the budget desks, but also with other departments. As one official commented:

Especially in an election year like this year [2015], the mayor agrees manifestos with supporters and locals regarding the next budget. This is not in the final round of the budget as I mentioned above but, in the budget proposal, every department checks the mayor’s manifesto and prepares the budget accordingly.

The budget desk has overall responsibility for mayoral statements/promises. Evidence was provided by the executive director/senior staff on the budget desk of the budget division:

We assess 3,000 proposals every year. About 100 of these 3,000 proposals are checked by the mayor. In selecting the proposals, we want to show the strategic field or the area of focus in this budget for the mayor. These projects are flagged by the mayor in the public announcement of the budget.

It is understandable that the budget desk would reflect on the mayoral statement. Economic concerns play a key role here in selecting proposals. However, without denying the importance of material concerns, it is interesting to observe the finance office's keen interest in reflecting mayoral statements. For instance, in response to our question of whether the mayor asks them to pursue specific projects and proposals, the finance officer responded: *"He does not need to tell us. We know what he wants and we must be prepared for this."* Here, direct influence is unnecessary; as Nakane (1970) put it, "junior must know what senior wants and work accordingly". The vertical relationship does not require undue direct intervention. As argued earlier, Japanese organisations promote bottom-up decision systems that encourage subordinates to take initiatives within the comfort zone of the senior/leader.

6.3 Citizen Participation: Individual and Group

The budget desk compiles budget proposals from departments and opens them up for citizens' comments. Citizens have opportunities to be involved with the budget at two stages: before the departments send the proposal to the budget desk, and after the compilation of budgets by the budget desk. Citizens are contacted by departments through groups and associations in various forums before the budget proposals are sent to the budget desk. These long-established but informal connections between local communities and local government units were operating well before the NPM-driven formal participation began to appear in Japan. Departmental officials also commented on contacting citizens directly to assess their needs. A director of the general affairs division of the construction department/bureau mentioned:

Our budget proposal is based on the master plan and the implementation plan of the budget. We then modify it by incorporating the citizens' opinions and the annual budget policy. Based on the needs of citizens, the goal of the city and the city plan, our

budget is re-adjusted. We are close to the citizens in several ways and communicate with them through comment letters, directly responding to them in public lectures, and organising meetings with them.

These contacts with citizens are not well publicised but are conducted mainly through various associations.^{iv} Commenting on the participation of associations in the budgeting process, a chairman of the federal association stated: “*The city and associations have maintained an intimate relationship. We have frequent meetings with the city and the departments and sometimes we are asked about our needs and proposals.*” Maintenance of contacts with local communities and visits by community leaders to council offices are very well-established though informal in nature. This is also reflected in the way assembly members attempt to shape budget proposals, as will be explained later in this paper.

NPM-driven and well-publicised formal citizen participation in the budgeting process begins when the budget desk opens the total budgets for citizens’ opinions in end of November. We found that a summary of budget proposals from all departments was made available on the city’s websites, at the city’s central office and in ward offices. These budget proposals referred to monetary amounts, agendas, policies and major initiatives in the departments. Citizens were able to submit their opinions by e-mail, postal mail or fax, or bring them directly to the city council or ward office, giving their name and address. Citizens’ opinions were taken into account formally in the budgetary assessment process between the budget desk, the mayor and departments. We sought to determine the interactions of citizens with the budgets. In the 2014 financial year, out of a population of more than a million in Kitakyshu city, only 71 people submitted 167 opinions. Interestingly, a document was prepared by the budget desk to discuss how these opinions had been considered:

The numbers in the budget reflect 167 opinions. On the other hand, 39 opinions are not reflected in the current budget. Forty-one opinions with no relation to budgetary concerns were excluded, and the opinions received reflected 69.0 per cent of the 2014 budget.

However, our interview with the finance director of the budgetary division was quite revealing. His candid reply to our question on participation was:

This citizen participation is simply a distraction and meaningless. Budgets are made up of a master plan, an implementation plan, debates in assembly, and daily

negotiations between related organizations. Honestly speaking, it is hard for lay people to understand. It is a professional task. In a recent public comment procedure for a national identity number system, we received only one comment. Compared with others, ours are better.

The above quotation indicates that citizens' opinions at this stage change nothing. Also, budget officials have very little time to consider them properly due to time pressures. At the same time, economic reasons were mentioned for non-engagement with citizens. An executive of the budget division stated:

In our city of X, our own budgetary sources are less than 50 per cent and most of the budget is already allocated to fixed sources. We can change fees for public services but do not make dramatic changes. If we start changing something, we then need to stop other things.

Participation has become a tool to attract citizen's interest and legitimise the budget, rather than triggering any changes (Bräutigam, 2004; Adams, 2004; Ahrens and Ferry, 2015; Caperchione et al., 2014). This was evident in the following statement of a senior staff member of the budget desk: *"These public comment procedures are intended to attract citizens' interest, not change the budget, so we handle them with much care and answer them very carefully."* Nevertheless, it was acknowledged that citizens' comments might signal the extent to which citizens agreed or disagreed with the budgets. The budget division had therefore pursued a policy of encouraging citizens to express their responses relating to budgetary issues, despite the fact that such voices had hardly been heard. A senior staff member of the budget division stated: *"We should have simpler procedures to encourage citizens to provide responses. I do not want to decrease the numbers of responses. Some citizens have provided us with more than ten comments."* He also said that disclosure of an as yet undecided budget might heighten public concerns about the budget itself. If citizens saw a budget proposal and could recognise a finely balanced budget, they might take more interest in the policy-making process and become active citizens in the city.

6.4 Political Participation: Maintaining Oneness or "Wa"

The assembly and its members are vehicles for political participation and are supposed to work with the city council and the mayor to enhance participation and maintain checks and balances. There are 61 assembly members who work full-time for the assembly, selected from six wards for a term of four years. Assembly members take

part in all six permanent committees and are supposed to work closely with the department.^vThe local assembly process comprises three steps in X.^{vi} First, at a general meeting, the mayor explains his propositions in terms of budget bills, closing bills and other ordinances, and assembly members discuss the mayor's propositions in the six permanent committees. Second, three special committees consisting of pairs of the permanent committees deliberate on the budget and closing bills. Third, based on the deliberations, the assembly decides whether or not to approve the bills in the general meeting. We sought to establish to what extent the assembly and assembly members influence budgetary documents, provide checks and balances to mayoral power and ensure the accountability of city council offices.

Our interviews with assembly members and others revealed that they find it extremely difficult to debate and make a difference to the proposed budget during the assembly or any formal meetings. Legally, the assembly and the mayor/city council office should stand on an equal footing and the assembly is recognised as a guardian or witness, but reality suggests otherwise. The chair of the assembly remarked: *"It is difficult for assembly members and the assembly to be involved in the budget."* To counter the argument regarding the powerlessness of assembly members, the chair replied: *"It is not weak, but the Japanese way of problem solving. In our tradition, we do not want to fight, nor do we like confrontation."* The chair explained: *"In Japanese autonomy law, it is rare for the assembly to change the mayor's budget bill. But it is possible to change. The right to compile the budget is with the mayor. If we change the budget bill, it invades his right to compile!"* Changes to budgets by the assembly are rare. All budget and financial closing bills are passed unchanged every year. The same respondent recalled just one occasion on which the assembly had changed a single capital budget item.

There are also pressures on assembly members not to delay the budget approval process. Some assembly members argued that proposing an amendment to the budget would not only protract the discussions but would also lead to uncertainty in its execution. This would have a negative impact on service delivery and the promotion of citizens' welfare. Although some assembly members during their first year were apparently more participative in the budget process, their enthusiasm petered out as they gained more experience of being an assembly member. One assembly member remarked:

In my first year as an assembly member, I attempted to discharge my accountability to the citizens. I made two speeches demonstrating weaknesses in the

budget and expressed my views and dissatisfactions. The chairperson tried to stop me. The convention is that only the positive side of the budget should be mentioned during approval meetings and speeches.

There is evidence that on several occasions the assembly had approved the budget despite envisaging the failure of certain projects incorporated within it.^{vii} Only members of the communist party tend to argue against the budget. We were told during our interviews that 52 out of 61 assembly members, excluding members of the communist party, had voted in favour of the budget in 2014. Budget disapproval by the assembly is almost non-existent and there is no evidence of such rejection except in one case in 2011.

More interestingly, assembly members are involved in discussions of the budget within their parties and groups. During such discussions, concerns are often raised about the inadequacy of the mayor's policies and the way welfare expenses are allocated in the budget. However, such voices are seldom heard during the assembly's budget meetings. Instead, the members submit proposals to the mayor who, in turn, decides whether or not to incorporate them into the budget. One member stated:

In our political group, we talk about the shortfalls of the mayor's policies. I do not agree with many of the policies, but I have to follow the group decision and accept them. For this reason, I have stopped joining the political group.

The assembly's role is to provide feedback on improvements to the next budget, rather than to reject the proposed budget. Assembly members commented that, before the budget meeting, every political party invites city executives to a question and answer meeting, and within the political parties they have study meetings on important policies. Nevertheless, the evidence suggests overwhelmingly that the mayor and the city council office are in full control of the budget. Political groupings and vertical relationships within the political parties (Nakane, 1970) often make it impossible for politicians (in our case, assembly members) to raise fundamental issues with regard to the budget. This was reflected in our conversations with assembly members.

Political parties often attempt to shape the budget less publicly. The assembly is seen as a formality rather than a debating house. One member said:

We submit the party proposal for the budget to the mayor. Then we check the degree of adoption of the budget proposal from our party. I personally approach the department and lobby the department to accept my proposal into the budget. In addition to a petition as a formal direct proposal, I set up a meeting with a department and an

interest group to facilitate acceptance into the budget. In terms of my results, I have achieved expansion of financial help for the mentally handicapped, and a subsidy for the junior high night school.

Assembly members and chairmen also find themselves negotiating with top city council officials in different departments, rather than with the mayor himself. The chairman of the assembly commented:

I had proposed a plan to construct a multi-purpose stadium in Wakamatsu, which could also be used to organise national competitions. This development would have a positive impact on local businesses and the community. I proposed it to the budget desk and it was rejected. I started talking about it with the chief executives of different bureaus, including the financial bureau, the mayor and heads of different sports associations, whenever I had the opportunity to meet them. Altogether it took me ten years to get this project approved. However, the credit now goes to the mayor.

Similarly, on behalf of the political party that they represent, they negotiate with the mayor's party rather than the mayor, and indirectly persuade the latter to consider their budget proposals in exchange for political or election support. One member clarified the negotiation process:

Besides the individual proposals which are based on citizens' demands, our party, the Liberal Democratic Party, sends a formal proposal document on much broader issues relating to the mayor's plans and policies for X to facilitate political negotiations. The mayor has accepted our election support.

There is no guarantee that such institutional proposals will receive the mayor's approval. The political groups accept the mayor's decisions but keep on pushing their party's proposals for the next year. This acceptance of mayoral power can perhaps be explained by Nakane's reflections on how state power is organised in the context of hostile political groupings:

Once the state's administrative authority is accepted, it can be transmitted without obstruction down the vertical line of a group's internal organisation. In this way the administrative web is woven more thoroughly into Japanese society than perhaps any other in the world (Nakane, 1970, p.102).

Knowing that it is difficult to influence the budget through the assembly, assembly members often work in lobby groups and visit the city council office prior to the budget proposals. One assembly member commented that they go to city council offices with proposals for inclusion in the budget. These proposals reflect local constituents' wishes, but are pursued informally rather than through structured interactions between the departments and other stakeholders. Assembly members act more as lobbyists, rather than having close involvement with each department in preparing budget proposals. This lack of formal participation by assembly members in setting budgets was also reflected in our conversations with officials at the city council office. The mayor is officially the most powerful actor, but his workload precludes him from considering all proposals. It is not unusual for the mayor to depend on city council offices, especially the budget desk, but the scope for politicians to share the mayor's workload or participate in the budgeting process is glaringly absent in the Japanese case.

Despite mentioning some regulatory loopholes, assembly members argued that they find it difficult to raise any substantial issues in public or in assembly because "this is not the Japanese way". This is not only because the mayor has full political support from the leaders of other political parties, but also because assembly members find it difficult to gainsay the political arrangements, especially against their own political group. This may be true to some extent in every cultural context, but the extent to which resentment or differences are shown here is particularly low. Fear of being a disruptive individual within the Japanese "*seken*", or fear of being purged from the "*seken*", contributes to their inability to raise concerns publicly (Kitamura 2013; Abe, 2005).

The poor participation of assembly members was also visible in the proceedings of the assembly itself. One of the authors attended an assembly meeting and watched YouTube videos of many assembly meetings. Participants simply articulated their need to spend more, and failed to question budget items or raise fundamental questions. One assembly member commented that there are also regulatory restrictions in place to inhibit true engagement. For instance, the budget bill has to be voted with a blanket "yes" or "no", with no opportunity for partial agreement or disagreement with budget items. As the fieldwork revealed, there is also no opportunity for members to scrutinise individual items, as most members follow the party line and find it uncomfortable to go against the party to disagree publicly with bills.

The internal organisational structure of the political parties, the primacy of groups over individuals, and the maintenance of *oneness* inhibit assembly members from launching any strong resistance to the budgets. One of our interviews with an assembly member, who was only a representative from her party to the assembly, was free to raise issues but found no support. Although other assembly members privately supported her,

publicly they remained silent. She understood the predicament that these assembly members face when it comes to raising issues not supported by the party. Lack of political participation through the assembly is understandable if we see it in terms of Nakane's understanding of Japanese society. The mayor is seen as the leader, and public disagreement in the assembly is not seen as good practice. In contrast, it is much easier to maintain *oneness* and vertical relationships by influencing the mayor's budget through council offices. Most assembly members are keen to maintain the political group's position, and strong group consciousness plays a pivotal role. There is no need for the whipping system of Western democracy. Members of a political group almost inevitably go along with the political position unless they resign from political parties. The impossibility of raising issues close to their hearts leads them to lobbying council offices before the budget proposal to the assembly.

7. Concluding Remarks

This research has investigated a local government budgeting process in Japan. In comparison with Western counterparts, we found that Japanese local governments are much more decentralised in terms of the power and resources given to them by central government. However, economic crises in Japan have pushed central government to delegate more and more activities to local government with little additional funding, and to demand reforms such as participatory budgeting in local governments (Sintomer et al., 2012; Yoshida, 1990; Matsubara, 2013). As our data reveal, reforms such as the direct participation of citizens have met with questionable success. Interestingly, traditional means of citizen involvement through local communities and assembly members have continued. Most publicised citizen participation is characterised as a distraction and “too little, too late”. The budget desk and departments remain the most powerful actors in the budgeting process. We found that the mayor is the central figure but has limited time to intervene directly in the budget. Political participation through the assembly is almost non-existent, and that the assembly members work as lobbyists rather than being part of the process. The assembly works as an official rubber stamp rather than presenting a counter-power to the mayor. Participation does occur in some senses, albeit through lobby groups rather than through channels prescribed by NPM tools, such as direct individual participation or assembly debates propagated by individual assembly members.

We sought to understand how NPM-driven participation agendas interact with the Japanese way of doing things and why they have not produced the anticipated results. We argue that Nakane's claims about vertical relationships in groups/organisations, maintaining or performing "wa" or oneness in the group, and the primacy of groups over individuals are useful in shedding light on low public participation. We acknowledge that the deeper subjective experiences of individuals are missing from the abstract cultural norms and values described above; nevertheless, they are still powerful in providing some understanding of the Japanese way of doing things. The dominance of the mayor (as superior) and his office (the budget desk), the nature of negotiations between departments and finance office, the lack of explanations by the budget desk for knocking back departmental requests, and taking care of mayoral promises require explanations beyond simply economic ones. For instance, negotiations following hierarchy are an interesting example of superior (*sempai*) versus junior (*kohai*). Subordinates of the mayor and his offices working for the mayor and trying to take on projects anticipating his wishes also reveal a classic case of vertical relationships – a form of internal organisational structure within the groups. The importance of maintaining social order through "wa" or oneness is reflected in the monologues of assembly meetings (Nakane, 1970). Traditional engagements between departments and citizens are much more effective and still continue, even though public comments through websites are encouraged. Traditional engagements by departments with local leaders and associations allow for vertical relationships and group characteristics. Leaders going to departments to raise their concerns or lobby for a particular group fits with the group behaviour of Japanese society.

This paper contributes to the accounting literature in several ways. First, the paper provides deeper explanations of a lack of citizen engagement with NPM-driven reforms generally, and in Japan in particular. Without denying the impact of economic crises, regulatory loopholes and institutional contexts, the paper argues that local cultural norms do not match the conditions required for wider citizen or political participation in the assembly. Debates in the assembly are few and far between: as the interviewees commented, this is not the Japanese way of doing things. Instead, departments' engagements with local associations and community leaders, and assembly members lobbying away from the wider public eye are consistent with local cultural conditions.

Second, in the process of engaging with the empirics of our case study and with Japanese cultural and political conditions, this paper offers a critique of unquestioning assumptions about the transfer of accounting technology from one context to another. In addressing political and cultural conditions, our case study problematises such linear transfers of knowledge. It might be argued that, in Japan, material conditions

necessitating reforms should be similar to Asian nations. However, cultural conditions influencing accounting technologies are unique, not just to each country, but also to individual organisations within a single country (Guthrie et al., 1999; Pollitt and Bouckaert, 2011). Appreciation of these unique cultural conditions is a key to better understanding and theorisation of NPM-driven accounting reforms.

Third, the paper contributes to the wider debate on NPM and structural adjustment programmes. Previous studies in Japan have questioned the applicability of NPM ideals to the Japanese public sector (Yamamoto, 1999); yet, participatory budgeting has now become one of the most widespread NPM reforms in Japanese local governments (Matsubara, 2013). This paper suggests caution should be exercised in the wholesale adoption of such programmes. Previous studies within the critical tradition have questioned the consequences and outcomes of NPM in Asian countries. In many of these cases, NPM reforms have been brought about to meet the private-sector ideals of cost management and have been championed by private-sector change agents (Ashraf and Uddin, 2013). NPM researchers have already highlighted such risks, warning that, unlike Western countries, Asian countries often do not have the necessary structural conditions for participation to be effective. Clearly, participation takes different shapes and forms and did not materialise as expected through NPM channels in our case. The side-lining of assembly members, the centralised power of the mayor, citizens' apparent disengagement with the participation effort, and city officials' default power inevitably raise questions about the success of the participation project.

Finally, despite the issue of economy versus effectiveness at the heart of the NPM debate, the extant local government management accounting literature has not addressed in sufficient detail the role of budgetary participation efforts in different cultural contexts. It would be useful to articulate cross-national comparisons so as to examine contextual differences in NPM reforms and the unquestioned transfer of accounting knowledge (see also Broadbent and Guthrie, 2008; Caperchione and Lapsley, 2011; Guthrie et al., 1999). Cross-country research on budgetary participation should perhaps be encouraged so as shed further light on the narrowness of public sector reforms around the world.

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ⁱWe do not wish to ignore the obvious impact of material conditions such as economic crises on local government budgeting, but understanding how these are culturally mediated has not been well examined.

ⁱⁱIn addition to prefectures and municipalities (ordinary local government units), there are four types of special local public bodies: special wards, local public cooperatives, property wards and local development corporations.

ⁱⁱⁱ There are 47 prefectures of various sizes, a number that has remained unchanged since the introduction of the modern system of local autonomy in 1888. There is great variation among the 1,788 municipalities in Japan.

^{iv} In Japan, each region has organised, voluntary neighborhood associations targeting certain groups and professions in the community, such as children, elderly and disabled groups. There are also federal associations coordinating and representing all associations in a particular district. For instance, the federal neighborhood association in the Kokura-Kita ward consists of 25 neighborhood associations. A federal chairman is elected for two years from amongst the 25 chairmen of the neighborhood associations. The associations collect fees from the residents and are involved in activities such as protecting members from crime, disasters and pollution, amongst other issues.

^v General affairs and financial committee (10 members), city planning and extinguishing fire committee (10 members), environment and construction committee (10 members), welfare and hospital committee (11 members), education and water operation committee (10 members), and economy and harbour committee (10 members). The local government covers a variety of activities, as reflected in the names of the committees.

^{vi} Their meetings are held in February/March, June, September and December. The budget is deliberated on in February/March, and financial closing is in September. Each permanent committee discusses specific policy matters for 20 days per year. With regard to budgeting and closing, pairs of the six committees combine into one group for discussion. These three special committees discuss the budget and financial closing separately for seven days as follows: (1) special committee consisting of the general affairs and financial committee, and the city planning and extinguishing fire committee; (2) special committee consisting of the environment and construction committee, and the welfare and hospital committee; (3) special committee consisting of the education and water operation committee, and the economy and harbour committee.

^{vii} Illustrating the failure, the chairperson of the assembly stated that, for instance, the “Comcity” redevelopment of the Kurosaki station building, in the western part of X, had been one of the biggest failures of the city. The assembly had pointed out the potential failure of this project at the outset. There were discussions about this project among the members, but not in a formal budget setting. During the budget and committee meetings, few members talked about the project.