

Volume 2 of 2

# **Understanding Institutional Changes Toward Decentralised Governance**

A Comparative Study of Japan and Korea

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**September 2016**

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## Chapter 10 Discussion: Institutional Changes to Decentralised Governance

### INTRODUCTION

Chapter 6 measured the change of subnational autonomy after decentralisation in order to capture institutional changes toward decentralisation in Japan and Korea. In Chapter 7, 8 and 9, in-depth case studies traced causality from ideas and interests prior to decentralisation to the degree of changes in subnational autonomy. Falleti (2016) claimed that it is possible to develop a theory by theoretically guided *intensive* – from after a cause and before the outcome of interests – *process-tracing*. She developed a sequential theory of decentralisation based on intensive process-tracing analyses – from prevailing territorial interests to the changes of subnational autonomy – focused on four Latin American countries. Yet, the author argues that more extensive approaches – connecting cause and outcome through one or more intervening variables – are needed because not only actors, institutions, and their interactions but also historical and structural factors have causal power to institutional changes toward decentralisation.

Hence, this chapter aims at presenting extensive causal pathways to decentralised governance based on the four case studies of the first and the second wave of decentralisation in Japan and Korea. The first section outlines causal pathways to decentralised governance based on Hedstrom and Swedberg (1998:22): the answer for the third question – causal factors to determine the degree of changes in subnational autonomy – presented in Chapter 1. The second section presents ideological pathways to decentralised governance by synthesising the results of four cases. Following sections summarise the contributions and discuss the possible limitations of the thesis. Finally, this thesis concludes with suggestions for future studies.

### EXTENSIVE TRACING OF CAUSAL PATHWAYS

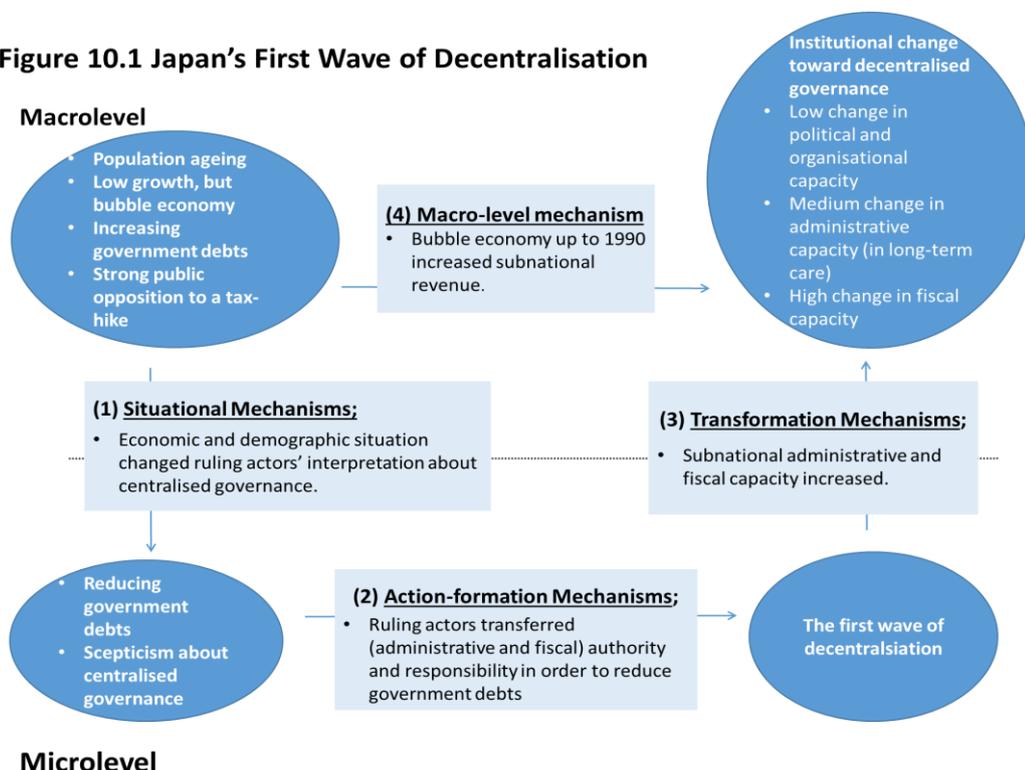
#### *Japan's First Wave of Decentralisation*

In the later 1970s, ruling actors in Japan – the conservative LDP – perceived that the current Japanese tax system was not sustainable in an era of population ageing and low

growth. As globalisation intensified international competition, however, national government was not able to increase cooperation taxes which were the highest level in the world. Under these circumstances, Japan had two policy options – either streamlining government by decentralisation and privatisation, or introducing indirect taxes – to overcome economic and demographic crises.

At first, ruling actors – the Ohira Administration in 1979 – attempted to tackle these economic and demographic issues by introducing a Consumption Tax. However, the Ohira Administration collapsed because of public backlash following the introduction of this new tax. In Figure 10.1, structural changes at the macro-level changed the ruling actors’ interpretation of centralised governance as situational mechanisms. Facing economic and demographic changes, such as low economic growth and population ageing, ruling actors started to be sceptical about the sustainability of centralised governance (JA1; J5). In order to reduce government debts, the Suzuki Administration took decentralisation and privatisation as means to streamline inefficiency in government (J5). At the micro level, as an action-formation mechanism, the ruling actors’ -scepticism about centralised Japanese administrative and fiscal governance shaped ruling actors’ preferences about the first wave of decentralisation which started with unfunded administrative decentralisation in 1983.

**Figure 10.1 Japan’s First Wave of Decentralisation**



As the first type of decentralisation, ruling actors transferred fiscal responsibility, mainly about compulsory education and social programmes, to subnational government in the name of *fiscal reconstruction* in 1983. As the second type of decentralisation, ruling actors transferred administrative authority over residential care services to subnational government in 1986. As the third type of decentralisation, ruling actors transferred fiscal resources to subnational government. As the fourth type of decentralisation, ruling actors transferred administrative authority of community care services to subnational government in 1990. As the last type of decentralisation, ruling actors implemented a small measure of political decentralisation in 1991.

As a transformational mechanism, Japan shifted to more decentralised governance after the first wave of decentralisation. However, the degree was not substantial (Table 6.5). Subnational autonomy of compulsory education policy increased by '1' (from 48 to 49) whilst subnational autonomy of long-term care increased by '3' (from 44 to 47). The increased subnational autonomy was mainly attributed to the increased subnational fiscal capacity. For instance, in compulsory education policy, subnational fiscal capacity increased significantly but subnational political, administrative and organisational capacity did not increase. In long-term care insurance, subnational fiscal capacity increased significantly and subnational administrative capacity increased moderately. Yet, subnational political and organisational capacity did not increase.

Although Falletti (2010) explains the low degree of change in subnational autonomy by the reinforcing mechanisms of prevailing national territorial interests, these results raised two questions. First, did the increased subnational fiscal capacity result from the first wave of decentralisation? Second, why did administrative capacity of long-term care services increase but that of compulsory education remained static?

'No' is the answer of the first question. The increased subnational share of revenues was the main factor to enhance subnational fiscal capacity during the first wave of decentralisation (see Table 6.5). Subnational Share of Revenue (SSR) increased from 39% (1980) to 46.6% (1994) and Subnational Share of Expenditure (SSE) increased from 64.5% (1980) to 67.1% (1995). Subnational Discretion on fiscal rules did not change. If this substantially increased subnational fiscal capacity resulted from fiscal decentralisation in 1989 – the introduction of Consumption Taxes and the following increase of intergovernmental transfers –, it is the SSE that should have increased instead of SSR.

Thus, the increased subnational fiscal capacity did not result from the first wave of decentralisation. In fact, the Bubble Economy in the 1980s increased subnational revenues as subnational taxes mainly consist of an Inheritance Tax, a Business Tax, and a Fixed Asset Tax (JMIAC 1996). As a macro-level mechanism, the Bubble Economy – the increased value of real estates and the booming business transactions – had causal power to the high degree of change in subnational fiscal capacity.

For the second question, *population ageing* and *historical legacies* had causal power to uneven changes of subnational administrative capacity in compulsory education and elderly-care systems. First, during the first wave of decentralisation, ruling actors transferred administrative authority and responsibility of social care services because population ageing was anticipated to increase social expenditure for the elderly. In contrast, national actors had no material incentive to transfer administrative authority of compulsory education as population ageing is expected to decrease the number of pupils and consequently decrease compulsory education expenditure.

Second, *historical legacies* had causal power to uneven changes of subnational autonomy in compulsory education and elderly-care systems. In compulsory education policy, up to the end of the Cold War, Nykkyoso had stood against centralised governance as they thought that a centralised militaristic education brought about the Second World War and the sacrifice of young students (Aspinall 2001). As Nykkyoso had strong power in subnational Boards of Education, national government did not want to transfer the policy-making authority, a component of administrative capacity, to subnational government. As ideological contestations and unionisation of labours in social care areas developed, national actors transferred the policy-making authority of social care systems to subnational government.

In conclusion, economic and demographic changes in the late 1970s shaped ruling actors' awareness about unsustainability of centralised governance. Alongside this acknowledgement also shaping ruling actors' preferences toward decentralisation, the hostile public consensus about tax-hikes, national government had only policy options of decentralisation and privatisation. Returning to the third question in Chapter 3, what determines the degree of change in subnational autonomy was the ruling actors' awareness of the unsustainability of centralised governance. The economic recession in the late 1970s, which resulted in unfunded administrative decentralisation in order to

reduce government debts and transferring administrative responsibility to subnational governments, brought about the low degree of change in subnational autonomy.

### ***Japan's Second Wave of Decentralisation***

After the first wave of decentralisation, the LDP Administration lost its power and the Hosokawa Administration, the first non-LDP Cabinet in 38 years, was established in 1993. During 1993-1996, non-LDP Prime Ministers, Hosokawa and Murayama, set decentralisation, aiming at not streamlining inefficient government but enhancing local self-governance, as the main political agenda. First of all, in 1993, eight opposition parties agreed to promote decentralisation, and the Japanese Diet – the House of Representatives and the House of Councillors – resolved to promote decentralisation. In 1993, subnational associations gained a legal right to present their opinions to national government as a policy partner. In 1994, the LDP agreed to *the Decentralisation Framework* drafted by the JSP and the *Sakigake*.

Under these political arrangements, as the first type of decentralisation, the Murayama Administration implemented fiscal decentralisation of introducing the Subnational Consumption Tax in 1997. After observing the failure of Hosokawa's social welfare tax, Murayama took time to persuade actors opposed to this indirect tax-hike such as other parties and grassroots public movements. The tax-hike took place as a form of fiscal decentralisation in order to persuade other parties opposed to an indirect tax-hike with the agenda of decentralisation (Nakamura 2014; Sakamoto 1999). Falletti's (2010) theory explains why the second wave of decentralisation in Japan started with fiscal decentralisation. As the Murayama Administration was a coalition administration of JSP and LDP, fiscal decentralisation rather than political decentralisation was more likely to take place as the first type of decentralisation. *As a situational mechanism*, the regime change from LDP to non-LDP cabinets provided a political opportunity to promote decentralisation in order to enhance subnational self-governance.

At the same time, *as a situational mechanism*, the regime change from LDP to non-LDP cabinets provided a political opportunity to establish the Decentralisation Promotion Committee. Administrative decentralisation was discussed in a third party organisation of the Decentralisation Promotion Committee. According to the Decentralisation Framework, in 1995, the Decentralisation Promotion Committee was established to supervise the

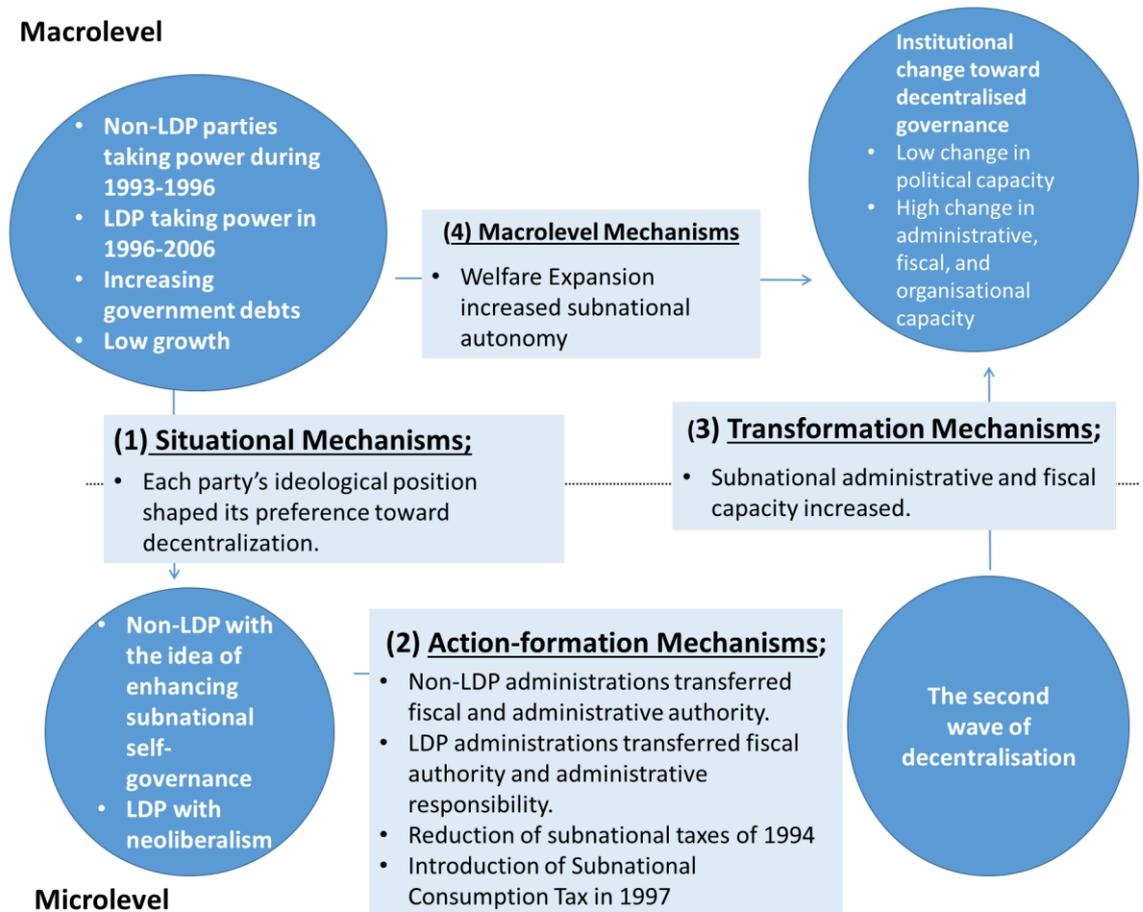
implementation of decentralisation reforms. In addition, the Decentralisation Promotion Committee reviewed decentralisation agendas and gathered public opinions via public consultation and closed-door meetings. After all, the Decentralisation Promotion Committee decided to abolish the agency-delegation system in 1999 which saw administrative authority transferred to subnational government. By abolishing the agency-delegation system, the hierarchical intergovernmental relations ceased and subnational government were regarded as policy partners. As an action-formation mechanism, the Decentralisation Promotion Committee ended the hierarchical intergovernmental relationship in 1999 by abolishing the agency-delegation system (see Figure 10.2).

In 1996, LDP returned to power as the centre of the ruling party after Hashimoto became Prime Minister. The Hashimoto and the following Koizumi Administrations promoted deregulation and decentralisation based on a neoliberal policy paradigm of small government. For instance, the Hashimoto Administration (1996-1998) focused on streamlining national government by reducing 22 government ministries and agencies to one Cabinet Office and 12 central ministries central ministries. At the subnational level, from 1999, municipal mergers were implemented in order to increase economies of scale. In this vein, decentralisation during 2003-2006 was focused on enhancing managerial efficiency via decentralisation rather than enhancing subnational self-governance.

The following Koizumi Administration (2000-2006) continued decentralisation reforms based on neoliberal policy paradigm of small government. For instance, as the third decentralisation reform, the Koizumi Administration transferred administrative authorities and fiscal responsibilities to subnational government during 2003 – 2006 which was called the Trinity Reforms. In order to overcome economic recession and reduce government-debts, the Koizumi Administration drove decentralisation aiming at enhancing managerial efficiency via decentralisation rather than enhancing subnational self-governance.

**Figure 10.2 Japan's Second Wave of Decentralisation**

**Macrolevel**



During the first wave of decentralisation in Japan, subnational autonomy of social care services increased more than that of compulsory education services. Discussions in the previous section explained this by the demographic changes to an aged society and the existence of teacher labour unions in Japan. However, decentralisation reforms during the second wave of decentralisation transferred significant administrative authorities and responsibilities to subnational government. The demise of right and left conflicts in the 1990s and the Koizumi Administration's neoliberal policy paradigm pursuing small government created a favourable environment to transfer mayors and governors authorities to appoint Superintendents of Education without consent from the JMOE in 2000. Furthermore, the authority to decide the level of teacher's salary was transferred to subnational government in 2004. The increased subnational autonomy during the second wave of decentralisation demonstrates the ideological foothold behind decentralisation reforms, in this case, the neoliberal policy paradigm, has casual power to decide the level of changes in subnational autonomy. Also, the favourable political environments created by the demise of right and left conflicts. Nykkyoso was gradually

losing significance and less emphasis was placed on preserving the culture and power of left-wing unions.

In the same vein, Japan introduced a local government centred Long-Term Care Insurance system in 2000. As the authority and responsibility of social care services were transferred in 1990, Japan was able to establish its long-term care insurance system, which gives subnational government extensive authorities over the management and delivery of long-term care services. In sum, *as an action-formation mechanism*, LDP prime ministers (1996-2006) with neoliberal policy paradigms favouring small government planned and implemented administrative and fiscal decentralisation reforms in order to streamline government organisations and enhance managerial efficiency (see Figure 10.2).

As a transformational mechanism, Japan shifted to more decentralised governance after the second wave of decentralisation. As can be seen in Table 6.5, subnational autonomy of compulsory education policy increased by '9' (from 49 to 59) and that of long-term care also increased by '9' (from 47 to 56). Except subnational political capacity, administrative, fiscal, and organisational capacity increased substantially. The degree of changes in each domain of subnational autonomy clearly demonstrates the causal power of the neoliberal policy paradigms pursuing small government.

Subnational political capacity decreased by '8' (from 36 to 28). After the agency-delegation system was abolished in 2000, national government increased administrative measures to control subnational government to ensure subnational compliance about commissioned affairs. This clearly demonstrates that decentralisation reforms do not always increase subnational autonomy in all dimensions. Therefore, some scholars argue that the abolition of the agency-delegation system had only a symbolic meaning as it decreased subnational political autonomy (J20).

Finally, as a macro-level mechanism, the introduction of Long-Term Care Insurance in 2000 increased subnational administrative capacity in Japan. As the authority and responsibility of social care services were given to subnational government, the expansion of long-term care services increased subnational autonomy.

In conclusion, the ideological ground of the second wave of decentralisation moved from the enhancement of subnational self-governance to neoliberal policy paradigm of small government. As non-LDP prime ministers who regarded decentralisation as a means to

improve subnational self-governance were in power for less than three years, the LDP prime ministers, Hashimoto and Koizumi, had substantial influence to control types and speed of decentralisation reforms.

To sum up, the periodic comparison between the first and second wave of decentralisation in Japan demonstrates the ideological causal pathways to the degree of changes in subnational autonomy. During Japan's first wave of decentralisation, as national actors' preferences were anchored in the ideological contention of the Cold War, national actors were unable to transfer administrative authority to subnational government. However, the end of the Cold War rendered the ideological contentions between Nykkoso and the JMOE obsolete. In 1987, Nykkoso separated into two organisations of Nykkoso and Zenkyo (All Japan Teacher and Staff Union). After that point, Nykkoso started to take a more moderate stance and cooperated with the JMOE (Aspinall 2001). As Nykkoso changed its ideological platform from anti-government to neutral, national government was able to transfer substantial authorities to subnational government without concern about generating heated ideological debates.

In contrast, during the second wave of decentralisation, national government also started to perceive that centralised governance was not able to respond efficiently to bullying and violence in schools (J16). In the same vein, the JMOE was required to transfer the political authority to control Boards of Education of agency-delegation system. Prime Minister Koizumi's neoliberal preference pushed the JMOE to transfer administrative authority in order to enhance managerial efficiency and accountability. In Japan, a neoliberal policy paradigm contributed to increase subnational administrative and fiscal capacity because it attempts to enhance the quality of public service delivery by aligning authority and responsibility.

In conclusion, as national and education actors changed their ideas with the course of time, in compulsory education policy, subnational administrative authority increased. Through the first and second wave of decentralisation, national and subnational actors became familiarised to decentralisation (a learning mechanism). In spite of divergent ideological footholds – from enhancing subnational self-governance to a neoliberal policy paradigm of small government – economic and demographic changes from the late 1970s – made national and subnational actors agree to the necessity of decentralised governance in an era of population ageing and low growth. Recalling the third question

cast in Chapter 1,” what brought the relatively high degree of change in subnational autonomy?”, the author argues that the experience of the first wave of decentralisation and the changed actors’ idea – from a strong belief in the Developmental State to scepticism about centralised governance – was the main force for Japan to achieve a relatively high degree of change in subnational autonomy.

### ***Korea’s First Wave of Decentralisation***

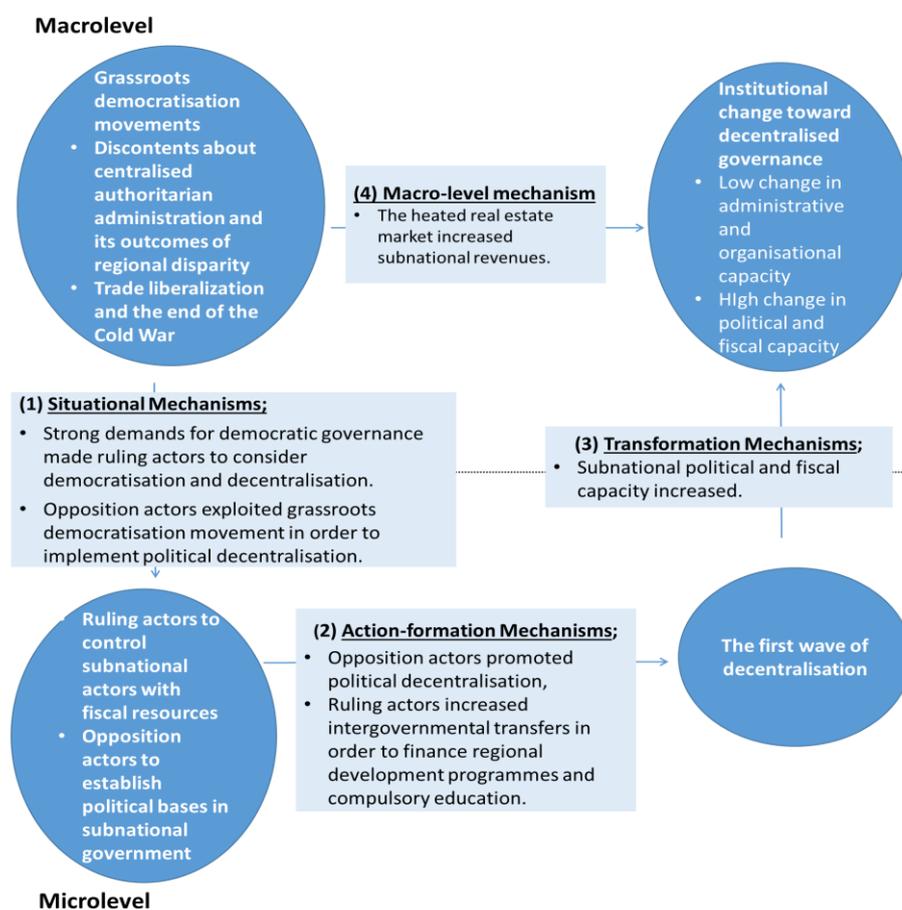
As the third wave of democracy, grassroots public movements in Korea fought for democratisation throughout the 1980s. This public discontent about centralised authoritarian governance and its consequence of unbalanced national development was the main cause to push the first wave of decentralisation in Korea. In spite of the 1987 constitutional reform including political decentralisation, ruling actors delayed the introduction of subnational elections several times (K6). During Korea’s first wave of decentralisation, trade liberalisation and the collapse of the Soviet Union in 1989 opened policy windows to change intergovernmental fiscal systems.

As a situational mechanism, domestic and international changes – grassroots democratisation movements, discontents about centralised authoritarian regimes and its outcomes of regional disparity, trade liberalisation, and the end of the Cold War – made political actors consider decentralisation as a possible alternative to reduce public discontents (see Figure 10.3). Yet, during the first wave of decentralisation, democratisation rather than decentralisation was the main purpose of democratisation movements. Therefore, the student-led political force to drive democratisation settled somewhat settled after the constitutional reform in 1987 including a direct presidential election.

During the first wave of decentralisation, the Korean national government had less motivation to transfer administrative and fiscal responsibility to subnational government in order to reduce fiscal burden. Instead, decentralisation was pursued in order to establish more democratised governance and balanced national development, as national government started to reduce Defence Expenditure as the Cold War was ending and disarmament underway. As an action-formation mechanism, ruling actors planned and implemented administrative and fiscal decentralisation whilst opposition actors continuously requested political decentralisation. National government transferred fiscal

resources to subnational government in 1989 and 1990, introduced subnational legislative elections in 1991, and transferred administrative authority and responsibility in 1991-1998. Decentralisation reforms in the first wave of decentralisation reflect interests of ruling and opposition actors. Ruling actors transferred administrative and fiscal authority and responsibility to lessen public discontents about regional disparity, and to control subnational politicians after political decentralisation. The 5.31 Education Reform which increased education investment, consequently, brought about fiscal decentralisation to subnational education governance. Yet opposition actors pursued political decentralisation such as the introduction of subnational elections in order to challenge centralised national power.

**Figure 10.3 Korea's First Wave of Decentralisation**



As a transformation mechanism, Korea moved to more decentralised governance after the first wave of decentralisation. Subnational elections for executives and legislative were introduced in 1991 and 1995 and substantial fiscal resources transferred to subnational governments. As can be seen in Table 6.6, subnational autonomy increased by '10' in both compulsory education (from 22 to 32) and long-term care services (from

10 to 20). Considering Falletti's (2010) argument that tied ruling and opposition interests with democratisation movement resulted in the relatively high degree of change in subnational autonomy, the results of Korea's first wave of decentralisation raise two questions. First, did fiscal decentralisation reforms during the first wave of decentralisation increase fiscal capacity of subnational government? Second, why did administrative and organisational capacity not change, but political and fiscal capacity increased significantly during the first wave of decentralisation in Korea?

The answer to the first question is yes and no. During the first wave of decentralisation, action-formation mechanisms increased subnational share of revenue and expenditure. First, the Tobacco Consumption Tax – one of the major tax bases of subnational government – was transferred to subnational government. In the same vein, a large portion of the increased subnational share of expenditure came from the newly introduced intergovernmental fiscal transfer systems – the Local Transfer Grant and the Local Education Transfer Grant – during the first wave of decentralisation. Yet, at the same time, the Comprehensive Land Tax increased the subnational share of revenue because of the overheated real estate market rather than decentralisation. As a macro-level mechanism, the economic growth and the heated real estate market increased subnational fiscal capacity. Therefore, both fiscal decentralisation reforms and booming economy had causal power to increase subnational fiscal autonomy.

As the answer to the second question, the author presents interest-based ideological pathways to divergent development of subnational capacity across domains. Both ruling and opposition actors shaped their preferences toward decentralisation based on their partisan interests. During the first wave of decentralisation, the ruling actors had to prepare non-coercive measures to control subnational government after political decentralisation. In addition ruling actors had enough fiscal resources – after the abolition of the Defence Taxes – to transfer subnational government. Hence, ruling actors introduced new block grants – Local Transfer Grant and Local Education Transfer Grant – which increased subnational fiscal capacity.

On the other hand, opposition actors had material interests to promote political decentralisation in order to establish political bases in subnational government which may grant them electoral victory in next presidential election. At the same time, as life-long democratisation politicians, opposition actors had political motivations to strengthen

decentralised participatory governance. The alignment between interests and ideas of opposition actors was the main driver of political decentralisation which increased subnational political capacity.

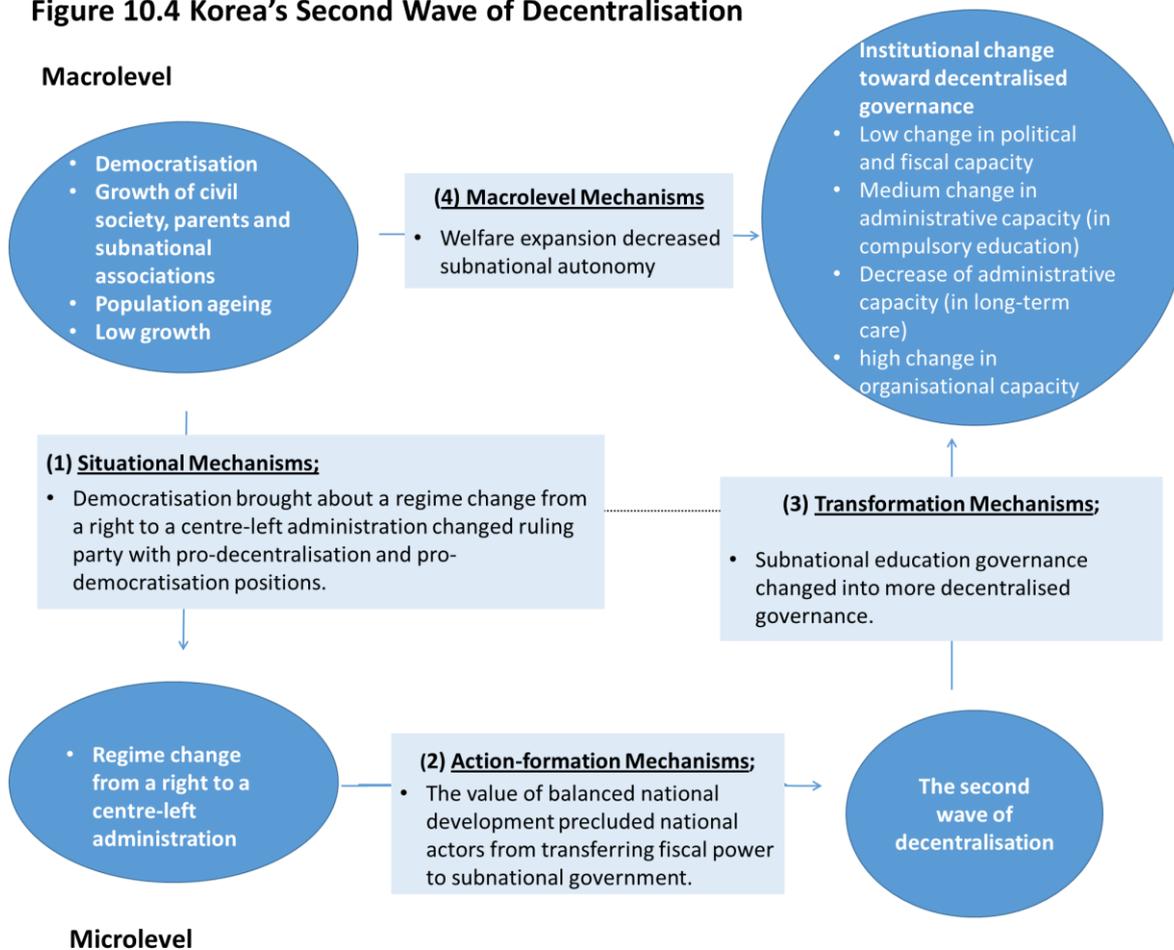
As a whole, the first wave of decentralisation was the results of long and tough negotiation and bargaining between ruling and opposition actors. More importantly, as subnational interests were weak, if not absent, there was no improvement of subnational organisational capacity by transferring administrative authority of compulsory education and long-term care services. Instead, political decentralisation aimed to establish opposition actors, political bases at the subnational government. Thus, the first wave of decentralisation resulted in a high degree of change in political and fiscal capacity and in no change in administrative and organisational capacity.

### ***Korea's Second Wave of Decentralisation***

After democratisation, the Kim DaeJung Administration was established in 1998 as the first centre-left administration in 37 years. During the second wave of decentralisation, the centre-left administrations – the Kim DaeJung and the Roh MooHyun Administrations – promoted decentralisation with the slogans of balanced national development and deepening subnational self-governance. Thus, as a situational mechanism, in 1998, deepened democratisation brought about political decentralisation which engendered a regime change from a right to a centre-left administration who had a pro-decentralisation position in Korea.

As an action-formation mechanism, a regime change from a right to a centre-left administration brought about the second wave of decentralisation. The Kim DaeJung Administration transferred fiscal resources to subnational government by increasing Local Shared Tax in 1999 and Local Education Grant in 2000 which had not been changed since 1983. Between 2000 and 2002, PCPTCA transferred administrative authorities to subnational government. In 2002, national government transferred fiscal responsibilities for expanded compulsory education. The Roh MooHyun Administration transferred administrative responsibility and fiscal resources to subnational government and political authorities to subnational education governance.

**Figure 10.4 Korea's Second Wave of Decentralisation**



As a transformation mechanism, Korea moved to more decentralised governance after the second wave of decentralisation. As can be seen in Table 6.6, subnational autonomy increased by '9' in compulsory education (from 32 to 41) and by '7' in long-term care services (from 20 to 27). In cross-sectoral comparison of administrative capacity, Korea centralised its long-term care service delivery (from 13 to 7) but decentralised its compulsory education delivery (from 79 to 88). In a cross-county comparison of administrative capacity, Korea centralised its long-term care service delivery (from 13 to 7) but Japan decentralised its long-term care service delivery (from 69 to 82).

In the welfare state stream, the civil society and parents who gained substantial political power after democratisation requested the expansion of the Welfare State. As responses to these demands, the Kim DaeJung Administration introduced a universal income support programme (NBLP) in 2000 and expanded compulsory education in 2002. During the Roh MooHyun Administration, national government expanded in-cash and in-kind social programmes, such as Child Care Service, voucher programmes, Basic Pension for

the Elderly, Long-Term Care Insurance, which were planned by national government and delivered by subnational governments.

In the same vein, national government shared financial responsibilities for expanded social programmes with subnational government. For expanded compulsory education, national government increased vertical (Local Education Grant from national government) and horizontal (statutory transfers from subnational government) fiscal transfers to subnational government in 2001. For the newly introduced social programmes, national and subnational government shared fiscal responsibilities according to the rule-like practice of national (40% - 90%) and subnational (10% - 60%). Exceptionally, in Korea, the newly introduced Long-Term Care Insurance was financed by insurance premiums and national government transfers. Thus, as a macro-level mechanism the expansion of the Welfare State increased administrative and fiscal responsibilities of subnational government in delivering Long-Term Care Services.

Again, when considering Falleti's (2010) argument that tied ruling and opposition interests with democratisation movement resulted in the relatively high degree of change in subnational autonomy, the results of Korea's second wave of decentralisation raises two questions. First, after the introduction of Long-Term Care Insurance, why did Japan's administrative capacity become more decentralised whilst Korea's administrative capacity became more centralised? Second, why did Korea's second wave of decentralisation increase subnational administrative capacity in compulsory education but decrease subnational administrative capacity in long-term care?

The author presents divergent subnational capacity, the divergent ideas about equity and efficiency, and divergent situations of democratisation in Korea, and fiscal retrenchment in Japan as answers. First, prior to decentralisation, subnational government in Japan had administrative capacity – the Boards of Education and Welfare Offices and junior welfare officers – to deliver compulsory education and long-term care services. Moreover, local government has served as an insurer of Local Health Services under a fragmented health care system in Japan.

In contrast, prior to decentralisation, Korea had strong subnational governance – Local Education Offices – for delivering compulsory education but had weak subnational governance for delivering long-term care services. Moreover, in 2000, Korea consolidated

National Health Insurance into a single scheme in order to enhance equity and risk pooling effects. Hence, alongside welfare expansion under the centre-left administrations (1998-2008), the lack of personnel resources to deliver expanded social services in subnational government were main issues to be addressed.

Second, during the second wave of decentralisation, divergent political and economic contexts of Japan and Korea have causal power to shape ruling actors' preferences toward decentralisation. Under the situation of fiscal recession, the ruling LDP in Japan had motivation to transfer administrative and fiscal responsibilities under the flag of decentralisation. As the ruling LDP had more power throughout the second wave of decentralisation, administrative and fiscal authorities and responsibilities rather than political authorities were transferred in Japan. Hence, Japan developed more decentralised Long-Term Care Service delivery governance.

In contrast, under the situation of democratisation, ruling actors in Korea pursued decentralisation in order to enhance participation and subnational self-governance. At the same time, there is public consensus in Korea which valued equity rather than efficiency in delivering social services as can be seen in the establishment of a single National Health Care System in 2000. As political actors thought subnational government did not have enough administrative and fiscal authorities to deliver long-term care services, more centralised governance, centrally financed and delivered, was established for delivering Long-Term Care Services in Korea. In sum, under the given economic situation of economic recession and relatively developed subnational administrative capacity, Japan introduced a more decentralised Long-Term Care Service System. With public consensus valuing equity rather than efficiency and relatively less developed subnational administrative capacity, Korea introduced a more centralised Long-Term Care Service System.

Lastly, public consensus about decentralised governance was divergent in Japan and Korea. In Japan, general public had rather a lenient consensus about regional diversity of social programmes because of the experience of progressive governors and mayors. Moreover, as can be seen in the collapse of the Ohira Administration and the success of the Koizumi Administration, general public in Japan is more hostile to tax-hikes rather than decentralisation and regional disparity. To the contrary, in Korea, general public is more sensitive about regional difference in social programmes rather than to tax-hikes

because of the experience of unbalanced regional development from centralised authoritarian regimes.

As a whole, the Japanese ruling actors with a neoliberal policy paradigm of efficiency were able to develop more decentralised Long-Term Care Service. In Japan, Welfare State was established prior to decentralisation, ruling actors were sceptical about centralised governance, and public consensus was more lenient about regional diversity of social programmes. However, ruling actors with the ideas of participation and subnational self-governance in Korea were not able to transfer more authorities to subnational government when they saw decentralisation increase regional disparity. As most of Koreans valued equity of social programmes rather than efficiency, ruling actors in Korea were not able to transfer administrative authority and responsibility to subnational government.

### ***Conclusion***

Falleti (2010) argues that dominant actors' partisan and territorial interests shape their preferences about decentralisation, which determine the sequence of decentralisation as well as the degree of changes in subnational autonomy. As can be seen, Japan's first wave of decentralisation started with prevailing ruling interests and resulted in a low degree of changes in subnational autonomy. In addition, Japan's second wave of decentralisation started with tied ruling and opposition interests and resulted in a high degree of changes in subnational autonomy. Hence, at a glance, Falleti's sequential theory of decentralisation seems to fully explain the first and the second wave of decentralisation in Japan.

However, extensive process-tracing results in this section demonstrate that ideas with prevailing interests have causal power to explain the degree of changes in subnational autonomy. For instance, Falleti's theory cannot explain why subnational authority in social care services increased but subnational authority in compulsory education was static after Japan's first wave of decentralisation. Moreover, during the second wave of decentralisation, non-LDP Prime Ministers pursued decentralisation in order to enhance subnational self-governance and promoted fiscal decentralisation whilst LDP Prime Ministers regarded decentralisation as a tool to establish small government transferred administrative authority and fiscal resources. Thus, dominant actors' ideological stances

combining political interests and contexts have causal power to determine types of decentralisation and the degree of changes in subnational autonomy.

In the same vein, during Korea's first and second waves of decentralisation, tied ruling and opposition interests resulted in a high degree of changes in subnational autonomy. During the first wave of decentralisation, grassroots democratisation movements increased subnational political autonomy, which resulted in a high degree of changes in subnational autonomy. In contrast, during the second wave of decentralisation, the idea of enhancing subnational self-governance (which was owned by ruling actors) increased subnational administrative and fiscal autonomy, which resulted in a high degree of changes in subnational autonomy.

Thus, the cases of Korea's decentralisation demonstrate that there might be multiple causal pathways from tied ruling and opposition interests to a high degree of changes in subnational autonomy. Possibly, ideological causal factors had more explanatory weight to the degree of changes in subnational autonomy after decentralisation. For instance, during Korea's second wave of decentralisation, public preferences about equity and balanced national development prohibited ruling actors with a pro-decentralisation position to develop decentralised long-term care service delivery governance. Thus, dominant actors' ideological stances with their partisan and territorial interests have causal power to determine the types of decentralisation and the degree of changes in subnational autonomy. In the next section, detailed ideological causal pathways are traced in the first and second wave of decentralisation in Japan and Korea.

## IDEOLOGICAL PATHWAYS TO DECENTRALISED GOVERNANCE

Based on four case studies (Chapter 7, 8 and 9), this section presents ideological pathways to decentralised governance. Combined with political and economic circumstances, ideological footholds of decentralisation demonstrate causal pathways to types of decentralisation and degree of changes in subnational autonomy (Table 10.1).

### ***Cross-country Comparison: The First Wave of Decentralisation***

In the case of Japan's first wave of decentralisation, because of situational factors, such as population ageing, low growth, and increasing government debts, dominant ruling actors were sceptical about centralised fiscal governance. *Fiscal reconstruction* was the ideological foothold of Japan's first wave of decentralisation. Hence, administrative and fiscal responsibilities were transferred to subnational government, which resulted in the low degree of change in subnational autonomy. At the same time, the Japanese national government attempted to introduce or raise the Consumption Tax, as an indirect tax which levies on the consumption of every goods and services, in order to overcome its fiscal difficulties. As the introduction and rise of indirect taxes had extensive impacts from small businesses to general public, indirect tax-hikes always faced a strong backlash from voters and resulted in the introduction of the Subnational Consumption Tax in 1997. Alongside with interests, ideas owned by political actors and general public had causal power to shape fiscal decentralisation in Japan.

Prior to the first wave of decentralisation, long-standing authoritarian regimes in Korea raised *public scepticism on* centralised governance with lack of democratic legitimacy and its adverse consequences of unbalanced national development. As the idea of democratisation bridged opposition politicians and grassroots public movements, political authorities were transferred to subnational government which resulted in a high degree of changes in subnational autonomy. In addition, during the first wave of decentralisation, the Korean national government did not need to take political risks to raise taxes because the end of the Cold War meant it had financial resources to transfer to subnational governments. Even when the Korean national government had to raise taxes, it raised the Tobacco related Taxes, which is a levy on smokers, instead of the Value Added Tax, which is levied on general public. Thus, the Korean national government had less opposition from the public and was able to sustain the centralised tax system.

In conclusion, during the first wave of decentralisation in Japan and Korea, the ideological causal pathways existed, alongside with interests and contexts, to shape the types of decentralisation. The idea of fiscal reconstruction brought about transfers of (administrative and fiscal) responsibilities whilst the idea of democratisation brought the transfer of political authority. Types of decentralisation determine the degree of changes in subnational autonomy: decentralisation of (administrative and fiscal) responsibilities brings about a low degree of change in subnational autonomy; however, decentralisation of (political) authority increases subnational autonomy significantly.

### ***Cross-country Comparison: The Second Wave of Decentralisation***

In the case of Japan's second wave of decentralisation, non-LDP prime ministers (1993-1996) promoted decentralisation, based on the idea of enhancing subnational self-governance. Yet, LDP prime ministers (1997-2006) promoted decentralisation in order to streamline a bloated central government. During the second wave of decentralisation, Japan did not expand compulsory education but introduced a universal Long-Term Care Insurance System. Regardless of standstills and expansion of services, after the second wave of decentralisation, subnational autonomy increased significantly in both compulsory education and long-term care services. Administrative and fiscal authorities were transferred to subnational government. In 1980s Japan, the economic, political, and demographic changes, economic recession, the end of Cold War, and population ageing, created favourable environment for both ruling and opposition actors to drive decentralisation as a new national agenda.

In contrast, after Korea's second wave of decentralisation, subnational autonomy for compulsory education increased significantly whilst subnational autonomy for long-term care services increased at a medium level. During Korea's second wave of decentralisation, subnational administrative capacity for compulsory education was increased by '8' (from 17 to 25). Yet, subnational administrative capacity for long-term care services decreased by '12' (from 25 to 13).

In compulsory education, the ideological footholds of democratisation and participation brought about the transfer of political autonomy. Moreover, the idea of enhancing subnational self-governance made ruling actors transfer (administrative and fiscal) authority as well as responsibility to subnational government. Alongside a policy

paradigm to enhance subnational self-governance, the institutional capacity of subnational education governance, consisting of Superintendents and Boards of Education, provides a favourable environment to implement political decentralisation of direct election of subnational education governance in the 2000s.

In contrast, in long-term care services, the ideological footholds of equity and balanced national development blocked the ruling actors from establishing a decentralised long-term care insurance system in Korea. The introduction of universal Long-Term Care Insurance resulted in recentralisation of (administrative and fiscal) authority and responsibility in Korea. As the health care system consolidated into a single scheme with centralised management and private delivery in 2000, the newly introduced long-term care services also designed as a similar system. In addition, the Korean subnational government had less experience to run health care or long-term care financing and delivery system. As a whole, the institutional legacy of centralised health care governance and the lack of subnational capacity to run long-term care services had causal power to reduce subnational administrative capacity in long-term care services. In conclusion, the cross-country comparison of the second wave of decentralisation reinforces the argument of ideological pathways toward decentralised governance. During the second wave of decentralisation, Japan and Korea had several common aspects: tied interests, the establishment of centre-left administrations with the idea of enhancing subnational self-governance, the standstill of compulsory education, and the expansion of long-term care services. In spite of these commonalities, subnational autonomy in Japan increased for both compulsory education and long-term care services whilst subnational autonomy in Korea increased only for compulsory education.

In Japan, the idea of fiscal retrenchment brought about transfers of (administrative and fiscal) authority and responsibility which increase subnational autonomy. Moreover, national actors in Japan were able to transfer (administrative and fiscal) responsibility to subnational government without worrying about quality deterioration of public services. In Korea, the ideas of equity and balanced national development prevented ruling actors in Korea from transferring authority and responsibility to subnational government when long-term care services were expanded.

Succinctly, decentralisation reforms in Japan and Korea brought about different outcomes as the ideological footholds of main actors who drove decentralisation were different. As

the political actors in Japan regarded decentralisation as a solution to overcome imminent fiscal and demographic crises, administrative and fiscal authorities were transferred to subnational government throughout the Trinity Reform in 2003-2006. However, the political actors in Korea understood decentralisation as a means to cure centralised authoritarian government. As the ideas of balanced national development and equity prevailed in Korea, political actors were mainly interested in political decentralisation. Although administrative and fiscal decentralisation reforms were discussed, political actors could not transfer substantial administrative and fiscal authorities to subnational government which resulted in aggravating unbalanced tax revenues.

As institutional factors, extant tax systems and industrial structures facilitated or constrained the options for decentralisation reforms. When national actors in Japan faced fiscal crises, tax-hikes cannot be taken as a solution to overcome snowballing government debts because factors such as the direct tax-centred tax system and the small and medium business-centred industrial structure. Hence, politicians favoured administrative and fiscal decentralisation reforms as a means to lessen national government debts. In contrast, Korea has a big conglomerate centred industrial structure and an indirect tax centred system. The Korean national actors had both policy options of raising indirect taxes (Tobacco Related Taxes) and decentralisation. Thus, Japan transferred (administrative and fiscal) authority and responsibility to subnational government whilst Korea increased taxes instead of transferring little (administrative and fiscal) authority and responsibility to subnational government.

### ***Cross-Periodic Comparison: Japan***

This section compares the first (1982-1991) and the second (1997-2007) wave of decentralisation in Japan. Subnational autonomy in compulsory education increased from '48' to '49' during the first wave of decentralisation, and from '49' to '58' during the second wave of decentralisation. In particular, subnational administrative capacity did not change during the first wave of decentralisation but increased, from '79' to '88' during the second wave of decentralisation. This shows that the ideological tensions between communism and capitalism deterred national actors from transferring administrative capacity in compulsory education to subnational government during the first wave of decentralisation. . However, after the Cold War ended and Nykkoso moved slightly from

its strict left-wing position in the late 1980s, national actors in Japan became more lenient to transfer administrative authority to subnational government. Thus, during the second wave of decentralisation, the Japanese national actors were able to transfer administrative authority about compulsory education with less concern about ideological issues.

On the other hand, subnational autonomy in long-term care service increased from '44' to '47' during the first wave of decentralisation, and from '47' to '56' during the second wave of decentralisation. In particular, during both periods, administrative capacity of subnational government increased from '63' to '69' and from '69' to '82'. Whilst teachers who deliver compulsory education had strong unions and left-wing stances, long-term care service workers did not have a left-wing ideological propensity and were not institutionalised or unionised. As there was no ideological conflict amongst actors involved in long-term care services, national actors were able to transfer administrative authority and capacity to subnational government from the first wave of decentralisation. In addition, during the second wave of decentralisation, subnational revenues and expenditure decreased from '47' to '44' and from '67' to '62', respectively. Instead, subnational fiscal discretion increased sharply from '29' to '58'. National ruling actors in Japan started to doubt the sustainability of centralised governance in the era of population ageing and low growth. Hence, during the second wave of decentralisation, national government transferred administrative responsibility more than fiscal resources to subnational government. Instead, national government gave more autonomy in taxing and borrowing to subnational government. In conclusion, the cross-periodic analyses of Japan demonstrate that ideas have the causal power to constrain political actors' choices. For compulsory education policy of Japan, during the first wave of decentralisation, the ideological conflicts of the Cold War prohibited national actors from transferring administrative authority to subnational government. After the end of the Cold War, during the second wave of decentralisation, national actors more freely transferred administrative authority to subnational government. For long-term care service policy of Japan, during the first wave of decentralisation, national actors perceived the limitations of centralised social service delivery governance, and transferred administrative and fiscal authority to subnational government because there was no severe ideological conflict.

### ***Cross-sector Comparison: Korea's Second Wave of Decentralisation***

As discussed, during Korea's second wave of decentralisation, subnational autonomy for compulsory education increased significantly from '32' to '41'; however, subnational autonomy for long-term care services increased moderately from '20' to '27'. Particularly, subnational administrative capacity for compulsory education increased by '8' (from 17 to 25) whilst subnational administrative capacity for long-term care services decreased by '12' (from 25 to 13). Alongside the causal power of ideas, such as a policy paradigm of enhancing subnational self-governance, historical and institutional legacies also have causal power to determine actors' preferences about decentralisation.

Japan has developed subnational government in both compulsory education and long-term care services after the Second World War. Yet, since the 1950s Korea has developed centralised governance, except subnational education governance under the US Military government. Moreover, Japan developed a decentralised National Health Insurance System whilst Korea consolidated its fragmented Health Insurance Systems into a single scheme of National Insurance Service in 2001.

Therefore, during the second wave of decentralisation, national actors transferred authority and responsibility of compulsory education to subnational education governance because subnational education government had robust subnational governance to plan and deliver transferred responsibilities. Yet, national actors transferred delivery responsibility for long-term care services to the National Health Insurance Cooperation rather than subnational government. The centralised Health Insurance System, developed under the slogan of equity in health, had more robust governmentality to delivery long-term care services. In conclusion, subnational governmental capacity as well as the ideological footholds of decentralisation has causal power to determine the degree of changes in subnational capacity.

**Table 10.1 Ideological pathways to types of decentralisation and degree of changes in subnational autonomy**

	<b>Situational factors</b>	<b>Dominant interests</b>	<b>Dominant actors' scepticism</b>	<b>Ideological foothold</b>	<b>Subnational capacity</b>	<b>Types of decentralisation</b>	<b>Degree of changes</b>
<b>Japan's first wave</b>	<ul style="list-style-type: none"> <li>✓ Population ageing</li> <li>✓ Low growth</li> <li>✓ Increasing government debts</li> <li>✓ Hostile public consensus toward indirect tax-hikes</li> </ul>	National (Ruling)	Centralised fiscal responsibility	✓ <b>Fiscal reconstruction</b>	HIGH	Transferred (administrative + fiscal) <b>responsibility</b>	<b>LOW</b>
<b>Korea's first wave</b>	<ul style="list-style-type: none"> <li>✓ Democratisation movements</li> </ul>	Tied (Ruling + opposition)	Undemocratic centralised governance	✓ <b>Democratisation</b>	LOW	Transferred ( <b>political</b> ) authority	<b>HIGH</b>
<b>Japan's second wave</b>	<ul style="list-style-type: none"> <li>✓ Establishment of non-LDP administrations</li> <li>✓ Increasing government debts</li> </ul>	Tied (National + Subnational)	National government's administrative and fiscal control	<ul style="list-style-type: none"> <li>✓ Enhancing subnational self-governance</li> <li>✓ <b>Neoliberalism</b></li> </ul>	HIGH	Transferred (administrative + fiscal) <b>authority</b> and (fiscal) <b>responsibility</b>	<b>HIGH</b>
<b>Korea's second wave: compulsory education</b>	<ul style="list-style-type: none"> <li>✓ Asian Financial Crisis</li> <li>✓ Establishment of centre-left administrations: <b>participation</b></li> </ul>	Tied (Ruling + opposition)	Unbalanced national development, undemocratic governance	<ul style="list-style-type: none"> <li>✓ <b>Enhancing subnational self-governance</b></li> <li>✓ <b>Democratisation</b></li> </ul>	HIGH	Transferred ( <b>political</b> + administrative + fiscal) <b>authority</b> and fiscal <b>responsibility</b>	<b>HIGH</b>
<b>Korea's second wave: long-term care</b>	<ul style="list-style-type: none"> <li>✓ Less hostile public consensus toward tax-hikes</li> </ul>	Tied (Ruling + opposition)	Unbalanced national development	<ul style="list-style-type: none"> <li>✓ Enhancing subnational self-governance</li> <li>✓ <b>Equity</b></li> </ul>	LOW	<b>Recentralised</b> (administrative + fiscal) <b>authority</b> and <b>responsibility</b>	<b>Medium</b>

## ***Summary***

As contribution of this thesis, this section investigates the ideological causal pathways to decentralised governance in Japan and Korea. First, the cross-country comparison study of the first wave of decentralisation demonstrates that dominant actors' ideological footholds have causal power to shape the types of decentralisation and to determine the degree of changes in subnational autonomy. As the idea of fiscal reconstruction promoted Japan's first wave of decentralisation, national actors in Japan transferred administrative and fiscal responsibility which consequently resulted in a low degree of changes in subnational autonomy. In contrast, during Korea's first wave of decentralisation, political authority was transferred to subnational government as the ideological footholds enhanced subnational self-governance promoted by grassroots democratisation movement which consequently increased subnational autonomy as it was promoted by grassroots democratisation movements.

Second, the cross-country comparison of the second wave of decentralisation also demonstrates that dominant actors' ideological footholds have causal power to shape the types of decentralisation and to determine the degree of changes in subnational autonomy. Although Japan and Korea had tied ruling and opposition interests before the second wave of decentralisation, Japan and Korea had divergent outcomes in subnational autonomy. In Japan, political actors regarded decentralisation as a means to accomplish the policy paradigm of efficiency when they discussed the Trinity Reform in the 2000s. Therefore, ruling actors in Japan transferred (administrative and fiscal) authority and responsibility to subnational government which resulted in the increase of subnational autonomy.

In Korea, after the second wave of decentralisation, subnational autonomy in compulsory education increased more than that in long-term care services. The policy paradigm of participatory governance was the ideological background to promote the second wave of decentralisation in Korea. Direct elections for Superintendents and Councillors were introduced in the late 2000s. At the same time, national actors' transferred administrative and fiscal responsibility to expand compulsory education in 2002. Consequently, after the second wave of decentralisation, subnational autonomy in compulsory education increased significantly.

In contrast, there was public consensus that valued equity rather than efficiency in long-term care delivery. When long-term care insurance system was introduced, ruling actors decided to recentralise long-term care delivery responsibility from subnational government to national government and National Health Insurance Cooperation. Hence, administrative capacity of subnational government decreased after the second wave of decentralisation. In sum, the ideas of dominant political actors and the general public had stronger causal power than partisan and territorial interests.

Third, the cross-periodic comparison study of Japan's decentralisation also demonstrates that dominant actors' ideas constrained institutional changes toward decentralisation. During the first wave of decentralisation, Japan did not transfer administrative authority of compulsory education to subnational government because of ideological conflicts between national government and the Teacher's Union. As ideological conflicts were relieved after the end of the Cold War, national actors in Japan transferred administrative authority to subnational government. In contrast, Japan transferred administrative authority and responsibility of long-term care services to subnational government as there were no ideological conflicts between national actors and care workers. .

Lastly, the cross-sector comparison study of Korea's second wave of decentralisation demonstrates that institutional readiness of subnational governments had causal power to determine the degree of changes in subnational autonomy. After Korea's second wave of decentralisation, subnational administrative authority for compulsory education policy increased whilst subnational administrative authority for long-term care services decreased. Apart from the valued idea of equity, as subnational governments did not have enough capacity to deliver long-term care services, national actors in Korea were unable to transfer (administrative and fiscal) authority and responsibility of long-term care services to subnational governments.

## **CONTRIBUTION TO KNOWLEDGE**

This thesis contributes to the extant knowledge methodologically, theoretically, and empirically. First, this thesis contributes to the extant knowledge by suggesting that Falleti's (2010) interest-based theory and intensive approaches have limitations when explaining institutional changes toward decentralised governance in Japan and Korea.

Instead, this thesis presents ideological causal pathways to explain institutional changes toward decentralised governance by using extensive approaches.

As can be seen in Korea's first wave of decentralisation, the idea of democratisation had causal power to implement political decentralisation which increases subnational political authority. In contrast, during Japan's first wave of decentralisation, the idea of fiscal reconstruction had causal power to implement administrative decentralisation which increased subnational fiscal responsibility. During Japan's second wave of decentralisation, the policy paradigm pursuing small government with scepticism about centralised governance had causal power to implement administrative and fiscal decentralisation which increased subnational (administrative and fiscal) authority and responsibility. During Korea's second wave of decentralisation, the idea of participatory democracy had causal power to increase subnational political authority. Yet, the idea of equity had causal power to recentralised administrative and fiscal authority which decreased subnational administrative authority.

More importantly, compared to the intensive process-tracing methods of Falleti (2010), the extensive process-tracing methods which were used by the author show analytical advantages to elucidate causal pathways from structural factors to the degree of changes in subnational autonomy. Structural factors exert their causal power directly and indirectly. For instance, during Japan's first wave of decentralisation, a structural factor of the booming real estate market had direct causal power to increase subnational fiscal authority. In contrast, the structural factor of economic recession had the causal power to make the ruling actors sceptical about centralised governance; and this causal power (scepticism) endeavoured national government to transfer administrative and fiscal responsibility to subnational governments. Finally, this administrative decentralisation increased subnational administrative autonomy. Thus, the booming real estate market in the 1990s had direct causal power to increase subnational fiscal authority whilst the economic recession of the 1980s had indirect causal power to keep the degree of subnational autonomy.

In the same vein, during Korea's first wave of decentralisation, structural factors had the direct and indirect causal power to the types and degree of changes in subnational autonomy. A structural factor of the booming real estate market had direct causal power to increase subnational fiscal authority. Grassroots democratisation movements had

causal power to spread scepticism about the centralised authoritarian regime, which resulted in the introduction of popular elections of subnational politicians. Then, political decentralisation increased subnational political autonomy. Finally, as the end of the Cold War resulted in the abolition of the Defence Taxes, the Korean national government had more fiscal resources to transfer to subnational governments. Thus, during Korea's first wave of decentralisation, structural factors had the direct and indirect causal power to increase subnational political and fiscal autonomy.

Second, after completing four case studies in Japan and Korea, the author argues that the ideological motivations to promote decentralisation shape the types of decentralisation, which determine the degree of changes in subnational autonomy. For instance, during Japan's second wave of decentralisation, the regime change from the LDP to the coalition government in 1993-1996 had the causal power to spread the idea of decentralisation in order to enhance subnational self-governance. This idea resulted in the abolition of the agency-delegated system and increased subnational administrative autonomy. In contrast, the regime change from the coalition government to the LDP administration after 1996 spread a neoliberal policy paradigm of pursuing small government to transfer administrative and fiscal authority to subnational governments. Thus, as structural factors, regime changes and following ideological change of ruling actors had indirect causal power to the types and degree of changes in subnational autonomy.

During Korea's second wave of decentralisation, the regime change from a right to a centre-left administration in 1998 had the causal power to spread the ideas of decentralisation and balanced national development. The centre-left administrations (1998-2008) who promoted decentralisation could not transfer taxing authorities to subnational governments because they valued equity and balanced national development. Moreover, with decentralisation, the centre-left administrations in Korea expanded the Welfare State, which resulted in centralised administrative authority and decentralised administrative and fiscal responsibility. Thus, the ideas of pro-equity and pro-welfare prohibited the centre-left administrations in Korea from transferring further administrative and fiscal authority to subnational governments, which resulted in little changes in subnational autonomy.

Lastly, the thesis tested the generalisability of Falleti's theory in the East Asian context of Japan and Korea. Although Falleti's theory has intrinsic limitations such as issues in

measurement and omission of the role of idea, it provides a useful framework to investigate issues surrounding actors, their preferences, and decentralisation reforms. In addition, her theory, developed based on the empirical study in Latin America, partially explains decentralisation reforms in Japan and Korea over recent decades. In addition, the thesis expanded the scope of time from the first wave of decentralisation to the second wave of decentralisation. In Japan, Falleti's theory partially explains the first and second wave of decentralisation. Subnational autonomy increased more during the second wave of decentralisation, which started with fiscal decentralisation, rather than the first wave of decentralisation which started with unfunded administrative decentralisation.

### **LIMITATIONS OF THE STUDY**

Although this thesis theoretically, methodologically, and empirically contributes to the extant knowledge, it also has some limitations. First, as the proposed ideological approach was developed from four case studies in Japan and Korea, the generalisability of the proposed ideological causal pathways should be tested in countries which have different economic and political contexts. For instance, South Asian countries with less matured party politics and election systems may show different causal pathways to decentralised governance. In addition, the institutional peculiarity of the South Asian countries – such as the strong intervention of international organisations – should also be considered. Moreover, the ideological approach should be tested in countries with federal governance as both Japan and Korea have a unitary system.

Second, there might be technological limitations in measuring subnational autonomy. Although the proposed measurement tool was developed based on extensive literature review, it is possible that variables used to measure subnational autonomy may either overestimate or underestimate subnational autonomy.

Third, the definition of post-developmentalism needs to be revisited from the perspective of the Welfare State. Falleti (2010) defined the starting point of post-developmental decentralisation by the changes of economic policy. However, as can be seen in Korea's second wave of decentralisation, a country can promote post-developmental or neoliberal decentralisation and the expansion of the Welfare State at the same time. Thus,

it might be worth to attempt a periodisation from the welfare retrenchment rather than from the emergence of post-developmental economic policy.

## **FUTURE RESEARCH AVENUES**

### ***Cross-Subnational Government Comparison***

This thesis attempted to compare cases across countries, sectors, and periods in order to elucidate causal pathways from structural, institutional, and individual factors to diverse degrees of decentralised governance. Time and words limits of the thesis prevent the author from conducting a comparative study across subnational governments in one country. Considering that the thesis demonstrates subnational administrative capacity is one of the important causal factors to explain the divergent degree of changes in subnational autonomy, comparative studies between intermediate and local governments may provide a better understanding about the causal pathways to decentralised governance.

### ***Subnational Autonomy and the Quality of Public Services***

This thesis aims to elucidate causal pathways to the diverse degrees of changes in subnational autonomy. However, it did not investigate the relation between (de)centralised governance and the quality of public services. As discussed in Chapter 1, regardless its purposes, decentralisation had extensive repercussions on the public service delivery. It is necessary to understand how (de)centralised governance had impact on public service delivery in terms of efficiency, effectiveness, accountability, and equity.

## Appendices

### Appendix 1 List of the Selected 40 Papers

NO	Year	Author	Title	country
1	2000	Brodjonegoro and Asanuma	Regional autonomy and fiscal decentralisation in democratic Indonesia	Indonesia
2	2000	Hill and Fujita	State restructuring and local power in Japan	Japan
3	2001	Heller	Moving the State: the politics of Democratic decentralisation in <u>Kerala</u> , South Africa, and Porto Alegre	South Africa, India, Brazil
4	2001	Legaspi	The changing role of local government under a decentralised state	Philippines
5	2001	Silver	intergovernmental transfers and decentralisation in Indonesia	Indonesia
6	2001	Tandon	Globalisation and decentralisation: emerging issues from the Indian experience	India
7	2002	Bossert and Beauvais	Decentralisation of health systems in Ghana, Zambia, Uganda and Philippines: a comparative analysis of decision space	Ghana, Zambia, Uganda, Philippines
8	2002	Gaiha and Kulkarni	Panchayats, communities, and the rural poor in India	India (regions)
9	2003	Jacobs	Devolving Authority and expanding Autonomy in Japanese prefectures and municipalities	Japan
10	2003	Skinner et al.	social and environmental regulation in rural China: bringing the changing role of local government into focus	China
11	2004	Hunter	Local issues and changes: the post-new order situation in rural Lombok	Indonesia (regions)
12	2004	Tsui and Wang	Between separate stoves and a single menu: Fiscal decentralisation in China	China
13	2005	Dyer	Decentralisation to improve teacher quality? District institutes of education and training in India	India (regions)
14	2005	Lewis	Indonesian local government spending, taxing and saving: an explanation of pre- and post-decentralisation fiscal outcomes	Indonesia
15	2005	Scheiner	Pipelines of pork: Japanese politics and a model of local opposition party failure	Japan
16	2006	Kang	Globalisation of the economy and localisation of politics?: Restructuring of Korean Developmental State via decentralisation	Korea
17	2006	Kristiansen and Santoso	Surviving decentralisation? Impacts of regional autonomy on health service provision in Indonesia	Indonesia (regions)
18	2007	Sheng	Global market integration and central political control: Foreign trade and intergovernmental relations in China	China
19	2008	Firman	In search of a governance institution model for <u>Jakarta metropolitan area (JMA)</u> under Indonesia's new	Indonesia (regions)

NO	Year	Author	Title	country
			decentralisation policy: old problems, new challenges	
20	2009	Ghai and Woodman	Unused powers: contestation over autonomy legislation in the PRC	China
21	2009	Jimenez	Anatomy of autonomy: Assessing the organisational capacity and external environment of the autonomous region in <u>Muslim Mindanao</u>	Philippines (regions)
22	2009	Venugopal and Yilmaz	Decentralisation in <u>Kerala</u> : panchayat government discretion and accountability	India (regions)
23	2010	Chang	Reforms and decentralisation in Korea and Russia: issues and research agendas in the center-periphery relations	Korea, Russia
24	2010	Chien	Economic freedom and political control in post-Mao China: a perspective of upward accountability and asymmetric decentralisation	China
25	2010	Haque	Decentralising local governance in Thailand: contemporary trends and challenges	Thailand
26	2010	Lam	Central-provincial relations amid greater centralisation in China	China
27	2010	Li	Central-local relations in the people's republic of China: Trends, processes and impacts for policy implementation	China
28	2010	Yep	Understanding the autonomy of Hong Kong from historical and comparative perspectives	China (regions)
29	2011	Langran	Decentralisation, democratisation and health: the Philippine Experiment	Philippines
30	2011	Panday	Local government system in Bangladesh: how far is it decentralised?	Bangladesh
31	2012	Imai and Sato	Decentralisation, democracy and allocation of poverty alleviation programmes in Rural India	India (regions)
32	2012	Tsai, Hsu, and Chen	The effects of population aging, the ruling political party, and local governments on welfare spending in Taiwan: 1993-2007	Taiwan
33	2012	Wang et al.	Fiscal reform and public education spending: a quasi-natural experiment of fiscal decentralisation in China	China (regions)
34	2013	Brixii et al.	Engaging subnational governments in addressing health equities: challenges and opportunities in China's health system reform	China
35	2013	Kim	Political decentralisation, subnational political capital, and intergovernmental transfers in Korea	Korea
36	2013	Kuo and So	Pursuing revenue autonomy or playing politics? Fiscal behaviour of local governments in Taiwan	Taiwan
37	2013	Niu	Fiscal decentralisation in China revisited	China
38	2013	Song	Rising Chinese regional income inequality: the role of fiscal decentralisation	China
39	2013	Sudhipongpracha	The Specter of Leviathan in the central-local relations: a comparative historical analysis of the Decentralisation reform in Thailand and Philippines	Thailand, Philippines
40	2013	Yu	Devolution: Discontinuity and dissonance	Philippines

## Appendix 2 Historical and Institutional Development of Japan and Korea

	Japan	Korea
<b>Constitution</b>	Unitary	Unitary
<b>President /prime minister</b>	Prime Minister	President
<b>Legislative power</b>	Bicameral (divided into two houses)	Unicameral
<b>Executive and Legislative relation</b>	- Legislative dominant Parliamentary system	- Executive dominant presidential system
<b>Party system</b>		
<b>One party dominant period</b>	1955 - 1993	1963 - 1998
<b>The reason of one-party dominance</b>	- Electoral victory	- The authoritarian regime (1961-1979) - Transition to democracy but under new military regime (1980-1988) - Electoral victory (1988-1998)
<b>Legalisation of party activities</b>	Legalised from 1947 constitution	- Legalised from 1948 constitution - Party activities were forbidden under the Martial Law (1972-1979)
<b>Elections system</b>		
<b>Presidential election</b>	- (Parliamentary government)	- Indirect popular election (1948-1952, 1960-1962, 1972-1986) - Direct popular election (1952-1960, 1963-1971, 1987-present)
<b>General election</b>	- National Diet (The House of representative and house of councillors, direct election) (1948-present) - Election methods changed from SNTV-MMD to Single member constituency in 1996	- National Assembly members, direct election (1948-1971) - National Assembly members, direct and indirect election (1972-1981) - National Assembly members, direct election (1981 – present) - Election methods; single member constituency (1948 -1962), SNTV-MMD (1963-1981), Single member constituency (1981-present)

	<b>Japan</b>	<b>Korea</b>
<b>Representativeness of National Assembly members</b>	<ul style="list-style-type: none"> <li>- Mixed system (majority and proportional representative)</li> <li>- The House of Representative: Single-seat constituency (300); proportional representation (180)</li> <li>- The House of Councillors: Plural-seat prefectural constituency (146); proportional representation (96)</li> </ul>	<ul style="list-style-type: none"> <li>- Mixed system (majority and proportional representative)</li> <li>- Single-seat constituency (246); proportional representation (54)</li> </ul>
<b>Local elections</b>	<ul style="list-style-type: none"> <li>- Full local election for heads and councils (1947-present)</li> </ul>	<ul style="list-style-type: none"> <li>- Local council member election in 1952</li> <li>- Head of local government election 1960</li> <li>- All local elections were suspended until the unification (1961-1980)</li> <li>- All local elections were suspended until local fiscal condition becomes sound (1980-1991)</li> <li>- Local council member election (1991-present)</li> <li>- Head of local government election (1995-present)</li> </ul>
<b>Party influence on local election</b>	<ul style="list-style-type: none"> <li>- Centralised (party nomination system)</li> </ul>	<ul style="list-style-type: none"> <li>- Centralised (party nomination system)</li> </ul>

## Appendix 3 Elite Interview Topic Guide

### 1. The aim of this project

- Compare the processes and outcomes of social policy decentralisation, especially compulsory education and social benefits and social care in Japan, South Korea, and Taiwan.
- In particular, I am interested in actors and their ideas, interests, and preferences before and after decentralisation reforms implemented.
- Therefore, I would like to explain whether any causal mechanisms between actors' ideas, interests and preferences and local autonomy after decentralisation exist? In addition, whether any causal mechanisms between institutional arrangement and local autonomy after decentralisation exist?
- Also, I would like to evaluate what determines the outcomes of decentralisation in terms of local autonomy.
- *(If there is an unfamiliar issue, it is fine not to answer about that issue.)*

### 2. (Issue 1) Describe a broad picture of social welfare service provision in Japan

- What sorts of cash benefits and social care service?
- Who (central, intermediate, local governments, NPO, Private sector) plan, finance, implement, provide social welfare service?

### 3. (Issue 2) Decentralisation reforms from the 1990s

- **Major reforms from the 1990s**
- **What drove decentralisation reforms?** (political leadership? new ideas? political interests?)
- **Who were main actors in the process of decentralisation?**
  - What kind of preferences toward decentralisation did they have? (pro-decentralisation, anti-decentralisation, reluctantly following reforms?)
  - What were each actor's ideas or interests which were behind their preferences?  
*e.g., ideas (new public management, progressive, conservative, equity, efficiency); interests (partisan interests, territorial interests, electoral interests)*

- The power of subnational associations, the rate of national assembly members who used be a governor or mayor  
*e.g., the number, sorts, and influence of subnational associations, the impact of subnational associations in the process of political decision making*
- **Facilitators and constraints of further decentralisation**
  - **The role of political institutions** (party politics, intergovernmental relations, election system, executive and legislative relations) in the process of decentralisation)
  - **The role of societal contexts** (developmental state's legacy?)
- **Was there repercussion or impact from general decentralisation reforms to social welfare service provision in Japan?**

#### 4. (Issue 3) Outcomes of decentralisation

- General outcomes of decentralisation reforms in Japan  
(In the long run, has local autonomy in social welfare provision increased as expected?)
- Were there major changes in the role of central, intermediate, and local governments in social service provision since the 1990s in Japan?
- After decentralisation, local government's power has been increased in planning, financing, implementing and providing of social benefits and social care services in Japan?
- Could you explain the change of intergovernmental relations before and after the major reforms?  
*For example, 1) division of functions such as personnel and organisation (administrative power) 2) division of fiscal power 3) division of political power between central, intermediate (to, do, fu, ken) and local government (shi, cho, son)*
- Is there discrepancy in the degree of local autonomy in social welfare provision between formally stipulated laws and decrees and de facto practice?
- What factors contribute for successful reforms?
- What factors were limited the successful implementation of the reforms?

**5. (Issue 4) Subnational government's organisational power**

- The number, sorts, and influence of national and subnational associations
- The impact of national and subnational associations in the process of political decision making?
- The number, sorts and influence of associations related to social welfare (benefits and services)?
- How much influence do they have in decision making in national and local level decision making in social welfare service provision?

**6. Recommendation for data sources and documents**

- A list of local government' functions; delegated functions, mandatory autonomous functions, etc.
- Fiscal statistics of local government's fiscal power; revenue power, expenditure power, discretionary expenditure power
- Related laws and decrees

**7. Snowballing recruitment of potential participants**

- Key informants who involved in the planning and implementing of decentralisation reforms (National and subnational levels, NGO and NPO)

**Participant Information Sheet**

***The process of institutional change toward decentralisation  
of the East Asian Social policy:***

**Introduction and Purpose**

My name is Eunkyung Shin. I am a PhD student at the University of York in the Department of Social Policy and Social Work. I would like to invite you to take part in my research study, which explores processes of social policy decentralisation in East Asian countries.

**Procedures**

If you agree to participate in my research, I will conduct an interview with you at a time and location of your choice. The interview will involve questions to collect general information about the processes of decentralisation in your country and related issues. The semi structured interview should last about one hour.

With your permission, I will audiotape the interview and take notes during the interview. The recording is to accurately record the information you provide, and will be used for transcription purposes only. If you choose not to be audiotaped, I will take notes instead. If you agree to being audiotaped but feel uncomfortable at any time during the interview, I can turn off the recorder at your request. Or if you don't wish to continue, you can stop the interview at any time.

I expect to conduct only one interview; however, follow-ups may be needed for added clarification. If so, I will contact you by email/phone to request this within a 12-month period following this interview. The follow-up interview will involve some further clarifications and possibly additional questions.

## **Benefits**

Whilst there is no direct benefit to you from taking part in this study, it is hoped that the research will enhance overall understanding processes of decentralization in East Asia.

## **Risks**

There are few likely risks because your information is confidential and will be anonymised. The information regarding your personal identification and (direct and indirect) quotations will not be used without your explicit permission. The interview data will only be used for academic purposes, including the researcher's own doctoral thesis and related publications.

## **Confidentiality**

Your study data will be confidential. To minimize the risks to confidentiality, no personal identification details will be recorded. The audio records and the electronic interview scripts will be stored in the University of York Server with password. The paper interview scripts will be stored in a locked drawer in the Research Centre for Social Science in University of York. Data will be assessed only by the researcher.

When the research is completed, I may save the audio records and electronic transcripts for use in future research done by myself or others. I will destroy these records in December 2020 after the study is over. The same measures described above will be taken to protect the confidentiality of this study data.

## **Anonymity**

If results of this study are published (i.e. a Doctoral Thesis, journal publication and book publication) or presented (i.e. conference presentation and personal web presentation), individual names and other personally identifiable information will not be used without at explicit permission being sought and obtained.

## **Rights**

Participation in the research is voluntary. You are free to decline to take part in the project. You can decline to answer any questions and are free to stop taking part in the project at any time. A summary of the research will be provided to you via email after completion of this study.

## Questions

If you have any questions about this research, please feel free to contact me. I can be reached at +82 10 9959 2355 or [es933@york.ac.uk](mailto:es933@york.ac.uk). My supervisor, Dr. Neil Lunt, also can be reached at +44 1904 321235 or [neil.lunt@york.ac.uk](mailto:neil.lunt@york.ac.uk).

CONSENT

You will be given a copy of this consent form to keep for your own records.

If you wish to participate in this study, please sign and date below.

\_\_\_\_\_

Participant's Name (*please print*)

\_\_\_\_\_

Participant's Signature

Date

*[Optional]*

If you agree to allow me to audiotape this interview, please sign and date below.

\_\_\_\_\_

Participant's Signature

Date

*[Optional]*

If you agree to allow your name to be included in all final reports, publications, and/or presentations resulting from this research, please sign and date below.

\_\_\_\_\_

Participant's Signature

Date

*[Optional]*

If you agree to allow your job title to be included in all final reports, publications, and/or presentations resulting from this research, please sign and date below.

\_\_\_\_\_

Participant's Signature                      Date

*[Optional]*

If you agree to allow direct quotations of your interview data to be included in all final reports, publications, and/or presentations resulting from this research, please sign and date below.

\_\_\_\_\_

Participant's Signature                      Date

*[Optional]*

If you agree to allow indirect quotations of your interview data to be included in all final reports, publications, and/or presentations resulting from this research, please sign and date below.

\_\_\_\_\_

Participant's Signature                      Date

## Appendix 5 Primary Data: Elite Interviews in Japan

No	Name	Gender	Title	Organisation	Method	Contents	Date	Round
J1	JA1 (Anonymous)	Male	Professor	Wished to remain anonymous	Face to face in English	Social Policy in Japan	13/11/2014 (Osaka)	1st
J2	KUDO, Hiroko	Female	Professor	Chuo University	Face to face in English	Decentralisation reforms in Japan	14/11/2014 (Tokyo)	1st
J3	YOKOMICHI, Kiyotaka	Male	Vice President and Professor	National Graduate Institute for Policy Studies(GRIPS)	Face to face in Japanese with a Korean interpreter	Decentralisation reforms in Japan	19/11/2014 (Tokyo)	1st
J4	JA2 (Anonymous)	Male	Professor	Wished to remain anonymous	Face to face in Japanese with a Korean interpreter	Social Policy in Japan	19/11/2014 (Tokyo)	1st
J5	NAKANO, Koichi	Male	Professor	Sophia University	Face to face in English	Decentralisation reforms in Japan	20/11/2014 (Tokyo)	1st
J6	MUTA, Hiromitsu	Male	Retired Professor	Tokyo Metropolitan University	Face to face in English	Compulsory Education policy in Japan	20/11/2014 (Tokyo)	1st
J7	HAYASHI, Masayoshi	Male	Professor	University of Tokyo	Face to face in English	Fiscal decentralisation reforms in Japan	21/11/2014 (Tokyo)	1st
J8	TAKAMI, Shigeru	Male	Professor	Kyoto University	Face to face in Japanese with a Korean interpreter	Compulsory Education policy in Japan With EGAMI	25/11/2014 (Kyoto)	1st
J9	EGAMI, Naoki	Male	Assistant Professor	Kyoto University	Face to face in Japanese with a	Compulsory Education policy in	25/11/2014 (Kyoto)	1st

No	Name	Gender	Title	Organisation	Method	Contents	Date	Round
					Korean interpreter	Japan (With professor TAKAMI)		
J10	YOON, SeongKook	Male	Teaching fellow	Doshisha University	Face to face in Korean	Decentralisation reforms in Japan	25/11/2014 (Kyoto)	1st
J11	ONO, Taichi	Male	Director  Former director of MHLW	Department of Planning and Coordination, National Institute of Population and Social Security Research	Face to face in English	Development of long-term care system in Japan	9/4/2014 (Tokyo)	2nd
J12	JA3 (Anonymous)	Female	Deputy Director	Ministry of Internal Affairs and Communications	Paper interview in English questions and Japanese answers	Local tax system in Japan	10/4/2015 (Tokyo)	2nd
J13	AHIGUCHI, Satoshi	Male	Executive Director	Ministry of Education, Culture, Sports, Science and Technology	Paper interview in Japanese questions and Japanese answers	Compulsory education system in Japan and its development	21/4/2015 (Tokyo)	2nd
J14	JA4 (Anonymous)	Male	Wished to remain anonymous	Wished to remain anonymous	Paper interview in Japanese questions and Japanese answers	Decentralisation reforms in Japan	21/4/2015 (Tokyo)	2nd
J15	KANBAYASHI, Yoji	Male	researcher	The Japan Research Institute for Local Government	Face to face in Japanese with a Korean interpreter	Decentralisation reforms in Japan, With TSUJIYAMA and MITSUDA	24/4/2015 (Tokyo)	2nd

No	Name	Gender	Title	Organisation	Method	Contents	Date	Round
J16	MITSUDA, Yoshito	Male	Director general	The Japan Research Institute for Local Government	Face to face in Japanese with a Korean interpreter	Decentralisation reforms in Japan With TSUJIYAMA and KANBAYASHI	24/4/2015 (Tokyo)	2nd
J17	TSUJIYAMA, Takanobu	Male	General secretary	The Japan Research Institute for Local Government	Face to face in Japanese with a Korean interpreter	Decentralisation reforms in Japan With MITSUDA and KANBAYASHI	24/4/2015 (Tokyo)	2nd
J18	YAMAMOTO, Akihiko	Male	Deputy Director	Ministry of Health, Labour, and Welfare	Face to face in Japanese with a Korean interpreter	Long-term care service	24/4/2015 (Tokyo)	2nd
J19	HONDA, Masato	Male	Senior Researcher	National Institute for Educational Policy Research	Face to face in Japanese with a Korean interpreter	Compulsory education system in Japan and its development	27/4/2015 (Tokyo)	2nd
J20	ICHIKAWA, Yoshitaka	Male	Professor	Department of Political Science, Faculty of Law, Doshisha University	Paper interview in English questions and Japanese answers	Decentralisation reforms in Japan	6/5/2015 (Kyoto)	2nd
J21	Hirahoka, Koichi	Male	Professor	Ochanomizu University	Face to face in English	Long-term care service in Japan	31/7/2015 (Singapore)	2nd

### Appendix 6 Primary Data: Elite Interviews in Korea: Face-to-Face Interview in Korean

No	Name	Gender	Title	Organisation	Contents	Date	Round
K1	Kim, ByungJoon	Male	Professor	Chairperson of the Presidential Committee on Innovation and decentralisation in 2003-2004 Kookmin University	Decentralisation general	7/10/2014 (Seoul)	1st
K2	HJH (Initial)	Male	Professor	Member of working committee of the Presidential Committee on Innovation and decentralisation in 2003-2006 Choongang University	Decentralisation general	10/10/2014 (Seoul)	1st
K3	Lee, Jaewon	Male	Professor	He developed "Community Investment Service" programmes in MoHW as an exchange civil servant (from Bukyung University) in 2006-2007. He collaborated with director in MoHW in order to develop the concept of social investment states in South Korea from 2005.	Social service	13/10/2014 (Seoul)	1st
K4	Chung, Jeayoung	Male	Professor	Former civil servant in the Ministry of Education of Korea	Education	16/10/2014 (Seoul)	1st
K5	Park, Seungjoo	Male	Former central civil servant	Secretary of the Presidential Committee on Innovation and decentralisation in 2003-2006 Former civil servant in MOGAHA and vice minister of the Ministry of Gender equality	Decentralisation general	21/10/2014 (Seoul)	1st
K6	LSJ (Initial)	Male	Professor Former civil servant	Wished to remain anonymous	Decentralisation general	23/10/2014 (Seoul)	1st
K7	Um, Moonyoung	Male	Researcher	Korea Education Development Institution	Education	25/10/2014 (Seoul)	1st
K8	KHJ (Initial)	Male	Researcher	Wished to remain anonymous	Education	29/10/2014 (Seoul)	1st

No	Name	Gender	Title	Organisation	Contents	Date	Round
K9	Yoon, Sungsik	Male	Professor	Korea University, Chairman of the Presidential Committee on Innovation and decentralisation in 2004-2006	Decentralisation general	3/11/2014 (Seoul)	1st
K10	Song, Kichang	Male	Professor	Sookmyung Women's University	Education	5/11/2014 (Seoul)	1st
K11	KA1 (Anonymous)	Male	Researcher	Local government association	Decentralisation general	27/2/2015 (Seoul)	2nd
K12	KA2 (Anonymous)	Male	Director	Ministry of Health and Welfare	Social service	27/2/2015 (Seoul)	2nd
K13	K (Initial)	Male	Professor	Wished to remain anonymous	Decentralisation general	3/3/2015 (Seoul)	2nd
K14	KA3 (Anonymous)	Male	Researcher	Intermediate government association	Decentralisation general	4/3/2015 (Seoul)	2nd
K15	KA4 (anonymous)	Male	Researcher Local civil servant	Local government association With J. Lee	Decentralisation general	4/3/2015 (Seoul)	2nd
K16	J. Lee (Initial)	Male	Researcher Secretary	Local government association With KA4	Decentralisation general	4/3/2015 (Seoul)	2nd
K17	Son, Heejun	Male	Professor	Cheongju University former member of the presidential committee of innovation and decentralisation in 2003-2005	Decentralisation general, Social service	6/3/2015 (Seoul)	2nd
K18	Kwon, Duckcheol	Male	Central government civil servant	Ministry of Health and Welfare Director of social welfare policy in 2004 General director of welfare policy in 2009	Social service	9/3/2015 (Sejong)	2nd
K19	Lee, JooSeok	Male	Wished to remain anonymous	Wished to remain anonymous	Decentralisation,	10/3/2015 (Seoul)	2nd

No	Name	Gender	Title	Organisation	Contents	Date	Round
K20	Nho, Gil-sang	Male	Former central government civil servant	Ministry of Health and Welfare PhD. University of Bristol	Social service	11/3/2015 (Seoul)	2nd
K21	Lee, Minkyu	Male	Professor	Chungbuk University	Decentralisation general, Korea and Japan	12/3/2015 (Sejong)	2nd
K22	Kang, Hyekyu	Female	Researcher	Korea Institute of Health Affairs and Social Affairs Researcher in Presidential Committee on Social Inclusion in 2006	Social service	12/3/2015 (Sejong)	2nd
K23	Lee, Kiwu	Male	Professor	Inha University The presidential committee of innovation and decentralisation in 2003-2006	Decentralisation general, education	13/3/2015 (Seoul)	2nd
K24	KYS (Initial)	Male	Deputy director Central government civil servant	Wished to remain anonymous	Decentralisation, fiscal decentralisation	17/3/2015 (Seoul)	2nd
K25	Hwang, Joonseung	Male	Researcher	Wished to remain anonymous	Education	17/3/2015 (Seoul)	2nd
K26	CHY (Initial)	Female	Local civil servant Social worker	Wished to remain anonymous with Youngsuk Kim	Social service	17/3/2015	2nd
K27	Kim, Youngsuk	Male	Community welfare specialist	Community welfare specialist, Local government, social worker With CHY	Social service	17/3/2015 (Seongnam)	2nd
K28	Son, Gunik	Male	Professor Former vice minister	Kookmin University Ministry of Health and Welfare	Social service	18/3/2015 (Seoul)	2nd

No	Name	Gender	Title	Organisation	Contents	Date	Round
K29	KA5 (Anonymous)	Male	Former higher civil servant	Wished to remain anonymous	Decentralisation general	18/3/2015 (Seoul)	2nd
K30	KA6 (Anonymous)	Female	Local civil servant Social worker	Wished to remain anonymous	Social service	19/3/2015	2nd
K31	Kim, Anje	Male	Retired Professor	Chairman of Presidential Commission for Promotion of Local Empowerment in 1998-2002 Seoul National University	Decentralisation general	19/3/2015 (Seoul)	2nd
K32	Moon , Byeong-Joon	Male	Provincial government civil servant	Intermediate government (Gyeonggi Province)	Social service	20/3/2015 (Suwon)	2nd
K33	Oh, Jaeil	Male	Professor	Chunnam University Presidential Committee on Local Autonomy Development from 2013 Member of Reorganization committee of Local Administration in 2011-2013 Member of decentralization advancement committee in 2008-2010 Member of Presidential committee on Innovation and decentralisation in 2004-2006 Member of Presidential commission for Promotion of Local empowerment in 1999-2003	Decentralisation general	20/3/2015 (Seoul)	2nd
K34	Jeon, Byungku	Male	Provincial government civil servant, Social worker	Wished to remain anonymous	Social service	23/3/2015	2nd

No	Name	Gender	Title	Organisation	Contents	Date	Round
K35	Moon, YoungTack	Male	Provincial government civil servant, Director of Education Intermediate government	Jeju special self-governing province, Education Office Former teacher and principal	Education	23/3/2015 (Jeju)	2nd
K36	KA7 (Anonymous)	Female	Local government civil servant	Wished to remain anonymous	Social service	25/3/2015	2nd
K37	KA8 (Anonymous)	Female	Local government civil servant Social worker	Wished to remain anonymous	Social Service	25/3/2015	2nd
K38	Lee, Youngkyo	Male	Professor	Kwangju University	Social service Local politics	25/3/2015 (Kwangju)	2nd
K39	Lee, Young Hwan	Male	Metropolitan city civil servant Director of primary education division	Seoul Metropolitan office of education Former director of the Korean Teachers & Educational Workers' Union (KTU)	Education	26/3/2015 (Seoul)	2nd
K40	Um, Kiyooong	Male	Local government civil servant, Social worker	Local government (county)	Social service	26/3/2015 (Yeoju)	2nd
K42	Kim, Soosam	Male	Manager of community welfare	Korea National Council on social welfare	Social service	27/3/2015 (Seoul)	2nd
K43	Koh, Sungho	Male	Local government civil	Local government (county), social worker	Social service	27/3/2015	2nd

No	Name	Gender	Title	Organisation	Contents	Date	Round
			servant, Manager of welfare planning team Social worker			(Gapyung)	
K44	KA9 (Anonymous)	Female	Local government civil servant Social worker	Wished to remain anonymous	Social service	29/3/2015	2nd
K45	Kwon, KiSeub	Male	Provincial government civil servant	Wished to remain anonymous	Social service	31/3/2015	2nd
K46	KA10 (Anonymous)	Male	Provincial government civil servant	Wished to remain anonymous	Education	31/3/2015	2nd
K47	KA11 (Anonymous)	Male	Intermediate civil servant	Wished to remain anonymous	Education	31/3/2015	2nd
K48	KA12 (Anonymous)	Female	Local government civil servant	Wished to remain anonymous	Social service	1/4/2015	2nd
K49	Ryu, Eunjoo	Female	Local government civil servant, Director	Local government (City)	Social service	1/4/2015 (Kumi)	2nd
K50	Cho, GeumRae	Male	Local civil servant	Local government (County)	Social service	1/4/2015 (Chilgok)	2nd
K51	KA13 (Anonymous)	Male	Professor	Wished to remain anonymous	Decentralisation general	3/8/2015	2nd

## Appendix 7 Secondary Data List: Japan

<b>Minutes</b>	<ol style="list-style-type: none"> <li>1. Minute of the Japanese Diet (Upper and Lower) (1992-2015) (<a href="http://kokkai.ndl.go.jp/">http://kokkai.ndl.go.jp/</a>)</li> <li>2. Minute of the Decentralisation Promotion Committee (1995-2001) (<a href="http://warp.ndl.go.jp/info:ndljp/pid/8418775/www8.cao.go.jp/bunken/bunken-iinkai/index-bu.html">http://warp.ndl.go.jp/info:ndljp/pid/8418775/www8.cao.go.jp/bunken/bunken-iinkai/index-bu.html</a>)</li> <li>3. Minute of the Council for Decentralisation Reform (2001-2007) (<a href="http://www.cao.go.jp/bunken-suishin/archive/archive-index.html">http://www.cao.go.jp/bunken-suishin/archive/archive-index.html</a>, <a href="http://warp.ndl.go.jp/info:ndljp/pid/8313852/www8.cao.go.jp/bunken/">http://warp.ndl.go.jp/info:ndljp/pid/8313852/www8.cao.go.jp/bunken/</a>)</li> <li>4. Summary of the Local Finance Committee (2002-2015) (<a href="http://www.soumu.go.jp/main_sosiki/singi/chizai/kaigi.html">http://www.soumu.go.jp/main_sosiki/singi/chizai/kaigi.html</a>)</li> </ol>
<b>White papers</b>	<ol style="list-style-type: none"> <li>1. White Paper on Education, Culture, Sports, Science and Technology (2001-2012) (<a href="http://www.mext.go.jp/b_menu/hakusho/hakusho.htm">http://www.mext.go.jp/b_menu/hakusho/hakusho.htm</a>)</li> <li>2. Japanese Government Policies in Education, Science, Sports and Culture (1989-2000) (<a href="http://www.mext.go.jp/b_menu/hakusho/hakusho.htm">http://www.mext.go.jp/b_menu/hakusho/hakusho.htm</a>)</li> <li>3. Japan's Modern Educational System (<a href="http://www.mext.go.jp/b_menu/hakusho/html/others/detail/1317220.htm">http://www.mext.go.jp/b_menu/hakusho/html/others/detail/1317220.htm</a>)</li> <li>4. Annual Health, Labour and Welfare Report (1998-2014) (<a href="http://www.mhlw.go.jp/english/wp/">http://www.mhlw.go.jp/english/wp/</a>)</li> <li>5. White Paper on Local Public Finance (<a href="http://www.soumu.go.jp/menu_seisaku/hakusyo/index.html">http://www.soumu.go.jp/menu_seisaku/hakusyo/index.html</a>)</li> </ol>
<b>Policy reports</b>	<ol style="list-style-type: none"> <li>1. Decentralisation Promotion Committee's Recommendation and Reports (<a href="http://www.cao.go.jp/bunken-suishin/archive/archive-index.html">http://www.cao.go.jp/bunken-suishin/archive/archive-index.html</a>)</li> <li>2. Structural Reform of Local Public Finance and Transfer of Tax Revenue Sources (Katayama draft Policy) (2002) (<a href="http://www5.cao.go.jp/keizai-shimon/cabinet/2003/decision0626.html">http://www5.cao.go.jp/keizai-shimon/cabinet/2003/decision0626.html</a>)</li> </ol>
<b>Research Papers</b>	<ol style="list-style-type: none"> <li>1. Up-to-date Documents on Local Autonomy in Japan Series in CLAIR (Council of Local Authorities for International Relations, <a href="http://www.clair.or.jp/e/pub/others/index.html">http://www.clair.or.jp/e/pub/others/index.html</a>)</li> <li>2. National Governor's Association Reports (<a href="http://www.nga.gr.jp/data/activity/committee_pt/committee/bunken/2000/index.html">http://www.nga.gr.jp/data/activity/committee_pt/committee/bunken/2000/index.html</a>)</li> </ol>
<b>Statistics</b>	<ol style="list-style-type: none"> <li>1. Election Statistics (Election Bureau, Ministry of Internal Affairs and Communications)</li> </ol>

	<p>(<a href="http://www.soumu.go.jp/menu_seisaku/senkyo/index.html">http://www.soumu.go.jp/menu_seisaku/senkyo/index.html</a>)</p> <p>2. Japanese Statistical Year Book (Statistics bureau, Ministry of Internal Affairs and Communications) (<a href="http://www.stat.go.jp/english/data/nenkan/index.htm">http://www.stat.go.jp/english/data/nenkan/index.htm</a>)</p> <p>3. OECD Government Taxation Statistics (<a href="https://stats.oecd.org/Index.aspx?DataSetCode=REV">https://stats.oecd.org/Index.aspx?DataSetCode=REV</a>)</p>
<b>Official websites</b>	<p>1. Cabinet office, Government of Japan (<a href="http://www.cao.go.jp/index.html">http://www.cao.go.jp/index.html</a>)</p> <p>2. Local autonomy established Council for Decentralization Reform Promotion Headquarters (<a href="http://www.bunken.nga.gr.jp/">http://www.bunken.nga.gr.jp/</a>)</p> <p>3. Ministry of Internal Affairs and Communications (<a href="http://www.soumu.go.jp/english/index.html">http://www.soumu.go.jp/english/index.html</a>)</p> <p>4. Ministry of Education, Culture, Sports, Science and Technology of Japan (<a href="http://www.mext.go.jp/">http://www.mext.go.jp/</a>)</p> <p>5. Ministry of Health, Labour, and Welfare of Japan (<a href="http://www.mhlw.go.jp/">http://www.mhlw.go.jp/</a>)</p> <p>6. National Institute of Population and Social Security Research (<a href="http://www.ipss.go.jp/">http://www.ipss.go.jp/</a>)</p>
<b>Law and Decrees</b>	<p>1. Decentralisation Promotion Law (1995)</p> <p>2. Promotion of Decentralisation Reform Law (2006)</p> <p>3. Local Financial Reconstruction Law (2007)</p> <p>4. Local Tax Law</p> <p>5. Local Autonomy Law</p> <p>6. Long-term Care Service Law</p> <p>7. Local education administration Law</p>
<b>Published book and paper</b>	<p>Related Journal Papers</p> <p>Monography</p>

## Appendix 8 Secondary Data List: Korea

<b>Minutes</b>	<ol style="list-style-type: none"> <li>Minute of the National Assembly of Korea (1987-2015) (<a href="http://likms.assembly.go.kr/bill/jsp/main.jsp">http://likms.assembly.go.kr/bill/jsp/main.jsp</a>)</li> </ol>
<b>White papers</b>	<ol style="list-style-type: none"> <li>Local Education Year Book (1985-2014)</li> <li>White Paper of Health and Welfare</li> </ol>
<b>Policy reports</b>	<ol style="list-style-type: none"> <li>Participatory Government (2003-2008) Policy Report: Education decentralisation policy</li> <li>Participatory Government (2003-2008) Policy Report: Fiscal Decentralisation</li> <li>Enactment process of the Special Law on Decentralisation (2003-2004)</li> </ol>
<b>Statistics</b>	<ol style="list-style-type: none"> <li>Local Financial Year Book (1991-2014)</li> <li>Local Education Finance (<a href="http://www.eduinfo.go.kr/main.do">http://www.eduinfo.go.kr/main.do</a>)</li> <li>Election Statistics</li> </ol>
<b>Official websites</b>	<ol style="list-style-type: none"> <li>National Archives of Korea (<a href="http://www.archives.go.kr/next/viewMain.do">http://www.archives.go.kr/next/viewMain.do</a>)</li> <li>Government Innovation and decentralisation Committee (2003-2008) (<a href="http://innovation.pa.go.kr/committee/region_work.htm">http://innovation.pa.go.kr/committee/region_work.htm</a>)</li> <li>Ministry of Health and Welfare (<a href="http://www.mw.go.kr">http://www.mw.go.kr</a>)</li> <li>Ministry of Education (<a href="http://www.moe.go.kr">http://www.moe.go.kr</a>)</li> <li>Ministry of Interior (<a href="http://www.moi.go.kr/frt/a01/frtMain.do">http://www.moi.go.kr/frt/a01/frtMain.do</a>)</li> <li>Korean Research Institute of Local Administration (<a href="http://krila.re.kr/">http://krila.re.kr/</a>)</li> <li>Korea Education Development Institution (<a href="http://www.kedi.re.kr">www.kedi.re.kr</a>)</li> <li>National Assembly Library (<a href="http://dinanet.go.kr">dinanet.go.kr</a>)</li> <li>Ministry of Strategy and Finance (<a href="http://www.mosf.go.kr">www.mosf.go.kr</a>)</li> <li>Open Fiscal Data (<a href="http://www.openfiscaldata.go.kr">www.openfiscaldata.go.kr</a>)</li> </ol>
<b>Law and Decrees</b>	<ol style="list-style-type: none"> <li>Local Autonomy Law</li> <li>Local Education Law</li> <li>Local Finance Law</li> <li>Local Tax Law</li> <li>Local Allocation Tax Law</li> <li>Local Education Allocation Tax Law</li> <li>Long-term Care Insurance Law</li> <li>Special Law on Decentralisation</li> </ol>
<b>Published book and paper</b>	<p>Related Journal Papers</p> <p>Monography</p>

## Appendix 9 Literature on Measuring Subnational Autonomy

	Federal /Unitary	Intermediate /Local	Subnational elections	Discretions (legal, administrative, fiscal)	Capacity	Veto	Dataset
<b>Hooghe, Marks, and Schakel (2008);</b> Regional Authority Index (RAI)	-	(intermediate only)	(intermediate only)	o (revenue raising, revenue-sharing, law making) (the range of policies for regional governments responsible / the extent regional government co-determine national policy / autonomous rather than deconcentrate)	-	Veto (of S) Constitutional amendment	1950-2010 81 countries
<b>Arzhghi and Henderson (2005)</b>	v	(intermediate/local)	(intermediate/local)	o (revenue raising, revenue-sharing)	-	Veto (of N) For subnational governments' decisions	1960-1995 16 European and OECD countries
<b>Brancati (2006)</b>	-	-	(subnational)	o (taxing, education, police)	-	Veto (of S) Constitutional amendment	1985-2000 40 European, Balkan and OECD countries
<b>Hooghe and Marks (2001)</b>	v	(intermediate only)	(intermediate)	o (taxing, education, police, cultural, transport and communication, economic, political institutions)	-	Veto (of S) legislative and executive power sharing	1950, 1970, 1990, 2000 14 Western European countries

	Federal /Unitary	Intermediate /Local	Subnational elections	Discretions (legal, administrative, fiscal)	Capacity	Veto	Dataset
Lane and Ersson (1999)	√	√	-	√	-	Veto (of S)	The post-WWII 18 Western European countries
Lijphart (1999; 2012)	√	-	-	-	-	-	1945-2010, 1985-2010 36 countries (24 west European and OECD countries)
Treisman (2002)	-	√	√	√	-	-	The mid-1990s 41 European, Balkan and OECD countries
Woldendorp et al. (2000)	√	-	-	√	-	-	The post-WWII 37 European, Balkan and OECD countries
Castles (1999)	√	-	-	√ (fiscal centralisation, fiscal decentralisation, fiscal difficulty)	-	√ (veto points constitutional features)	1973, 1983, 1992 21 OECD countries
Blochlinger and Rabesona (2009)	-	-	-	√ (a taxonomy of tax autonomy based on right to introduce or to abolish a tax, to set tax rates, to define the tax bases, or to grant tax allowance or reliefs to individuals and firms)	-	-	1995-2005 33 OECD countries

	Federal /Unitary	Intermediate /Local	Subnational elections	Discretions (legal, administrative, fiscal)	Capacity	Veto	Dataset
<b>Davoodi and Zou (1998)</b>	-	-	-	√ (subnational spending ratio net of grants, subnational tax autonomy, subnational tax sharing, subnational fiscal dependency, subnational non-tax autonomy)	-	-	1970-89 46 developed and developing countries
<b>Ebel and Yilmaz (2002)</b>	-	-	-	√ (tax autonomy, non-tax autonomy, subnational tax sharing)	-	-	OECD GFS
<b>Enikolopov and Zhuravskaya (2007)</b>	-	-	-	√ (subnational revenue share, fractionalisation of government parties)	-	-	1975-2000 75 developing and transitional countries
<b>Kim et al. (2013)</b>	-	-	-	√ (a taxonomy of tax autonomy based on right to introduce or to abolish a tax, to set tax rates, to define the tax bases, or to grant tax allowance or reliefs to individuals and firms)	-	-	2005 33 OECD countries
<b>Meloche et al. (2004)</b>	-	-	-	√ (subnational revenue autonomy, subnational own revenue ratio, subnational dependent revenue ratio)	-	-	1999 10 European Transitional countries
<b>Schneider (2003)</b>	-	-	-	√	-	-	68 countries
<b>Shair-Rosenfield,</b>	-	√ (intermediate only)	√ (intermediate only)	√ (the institutional depth of a regional government, its policy)	-	Veto (of S) Constitutional	1950-2010 5 Southeast Asian

	Federal /Unitary	Intermediate /Local	Subnational elections	Discretions (legal, administrative, fiscal)	Capacity	Veto	Dataset
<b>Marks, and Hooghe (2014)</b>				scope, its fiscal autonomy, its borrowing autonomy, the extent to which it has autonomous) (the extent to which a regional government codetermines national legislation, executive policymaking, tax allocation, borrowing constraints, constitutional reform)		amendment	countries (Malaysia, Indonesia, Philippines, South Korea, Thailand)
<b>Stegarescu (2007)</b>	-	-	-	√ (taxing authority – rate, base, Sharing authority – codetermination or not)	-	-	1970-1975, 1996-2001 23 OECD countries
<b>Wolman et al. (2008)</b>	-	√ (only local)	-	√ (taxing, spending, debt limits/ Structural and functional responsibility/ legal scope)	√ (of S)  fiscal resources/ personnel/	-	2002 49 states in USA

(Source: Figure devised by author)

**Appendix 10 Regional Authority Index (RAI) and its Measurement (Hooghe et al., 2008)**

Self-rule	Shared rule
<p><b>Institutional depth</b></p> <p>0: no functioning general-purpose administration at the regional level            1: a deconcentrated, general-purpose, administration            2: a non-deconcentrated, general-purpose, administration subject to central government veto            3: a non-deconcentrated, general-purpose, administrative not subject to central government veto</p>	<p><b>Law making</b></p> <p>0.5 is scored for each of the following characteristics. Aggregate scores range between 0 and 2;</p> <ul style="list-style-type: none"> <li>• The region is the unit of representation in the legislature;</li> <li>• The regional government designates representatives in the legislature</li> <li>• The regional government or the regional representatives in the legislature negotiate on national legislation affecting the region</li> <li>• The regional government or the regional representatives in the legislature have veto power over national legislation affecting the region</li> </ul>
<p><b>Policy scope</b></p> <p>0: the regional government does not have authoritative competence over economic policy, cultural-education policy, or cultural-education policy, or welfare state policy            1: the regional government has authoritative competence in one of the following areas: economic policy, cultural-education policy, welfare state policy            2: the regional government has authoritative competencies in at least two of the following areas: economic policy, cultural-educational policy, welfare state policy            3: the regional government meets the criteria for 2 and is endowed with at least two of the following:                Residual powers                Regional police force                Authority over own institutional set-up                Authority over local governments            4: the regional government meets the criteria for 3, and has authority over immigration or citizenship</p>	<p><b>Executive control</b></p> <p>0: no routine meetings between central government and regional governments to negotiate policy            1: routine meetings between central government and regional governments without legally binding authority            2: routine meetings between central government and regional governments with authority to reach legally binding decisions</p>

Self-rule	Shared rule
<p><b>Fiscal Autonomy</b></p> <ul style="list-style-type: none"> <li>0: the central government sets the base and rate of all regional taxes</li> <li>1: the regional government sets the rate of minor taxes</li> <li>2: the regional government sets the base and rate of minor taxes</li> <li>3: the regional government sets the rate of at least one major tax: personal income, corporate, value added, or sales tax</li> <li>4: the regional government sets the base and rate of at least one major tax: personal income, corporate, value added, or sale tax</li> </ul> <p><b>Borrowing autonomy</b></p> <p>The extent to which a regional government can borrow:</p> <ul style="list-style-type: none"> <li>0: the regional government does not borrow (e.g. centrally imposed rules prohibit borrowing)</li> <li>1: the regional government may borrow under prior authorization (ex ante) by the central government and with one or more of the following centrally imposed restrictions: <ul style="list-style-type: none"> <li>a. golden rule (e.g. no borrowing to cover current account deficits)</li> <li>b. no foreign borrowing or borrowing from the central bank</li> <li>c. no borrowing above a ceiling</li> <li>d. borrowing is limited to specific purposes</li> </ul> </li> <li>2: the regional government may borrow without prior authorization (ex post) and under one or more of a), b), c), d), e)</li> <li>3: the regional government may borrow without centrally imposed restrictions.</li> </ul>	<p><b>Fiscal control</b></p> <ul style="list-style-type: none"> <li>0: regional governments or their representatives in the legislature are not consulted over the distribution of tax revenues</li> <li>1: regional governments or their representatives in the legislature negotiate over the distribution of tax revenues, but do not have a veto</li> <li>2: regional governments or their representatives in the legislature have a veto over the distribution of tax revenues</li> </ul>
<p><b>Representation</b></p> <p>Assembly</p> <ul style="list-style-type: none"> <li>0: the region has no regional assembly</li> <li>1: the region has an indirectly elected regional assembly</li> <li>2: the region has a directly elected assembly</li> </ul>	<p><b>Constitutional reform</b></p> <ul style="list-style-type: none"> <li>0: the central government and/or national electorate can unilaterally change the constitution</li> <li>1: a legislature based on the principle of regional representation must approve constitutional change; or constitutional change requires a referendum based on the principle of equal regional representation (i.e. approval in a majority of regions);</li> </ul>

Self-rule	Shared rule
<p>Executive</p> <p>0: the regional executive is appointed by central government</p> <p>1: dual executives appointed by central government and the regional assembly</p> <p>2: the regional executive is appointed by a regional assembly or is directly elected</p>	<p>2: regional governments are a directly represented majority in a legislature which can do one or more of the following</p> <ul style="list-style-type: none"> <li>• Postpone constitutional reform</li> <li>• Introduce amendments</li> <li>• Raise the decision hurdle in the other chamber</li> <li>• Require a second vote in the other chamber</li> <li>• Require a popular referendum</li> </ul> <p>3: a majority of regional governments can veto constitutional change</p>

## Appendix 11 Revised Measurement of Subnational Autonomy

Domain	variables	Definition and Operationalisation	Source
<b>Political Capacity</b>	1. <i>Types of Appointment of Subnational representatives</i>	<p>(Definition) to what extent subnational executives and legislatures independently represent their jurisdictions</p> <ul style="list-style-type: none"> <li>• Executives: governors, mayor, and superintendent of education (or educational governor)</li> <li>• Legislatures: Intermediate councils, local councils, Boards of Education</li> </ul> <p>(Operationalisation)</p> <ul style="list-style-type: none"> <li>• A, appointed (=0)</li> <li>• A/C, appointed by mayors or governors with upper government's consent (=0.25)</li> <li>• A/-C, appointed by mayors or governors without upper government's consent (=0.5)</li> <li>• R/E, restricted competitive election (=0.75)</li> <li>• E, elected (=1)</li> </ul>	Arzhaghi and Henderson (2005) Brancati (2006) Falleti (2005) Hooghe et al. (2008) Hooghe and Marks (2001) Schneider (2003) Shair-Rosenfield et al. (2014) Treisman (2002) Wolman et al. (2008)
	2. <u>Law Making Authority</u>	<p>(Definition) the degree of authority owned by subnational government in national legislations and constitutional reforms</p> <ul style="list-style-type: none"> <li>• National legislations</li> <li>• Constitution reforms</li> </ul> <p>(Operationalisation)</p> <ul style="list-style-type: none"> <li>• N, national government monopoly (=0)</li> <li>• C, national and subnational government shared (=0.5)</li> <li>• S, subnational government monopoly (=1)</li> </ul>	Hooghe et al. (2008) Brancati (2006) Castles (1999) Lane and Ersson (1999)

Domain	variables	Definition and Operationalisation				Source																					
	3. <u>Administrative Control (AC)</u>	<p>(Definition) the degree of national involvement in subnational autonomous and commissioned affairs (Operationalisation)</p> <table border="1" data-bbox="689 485 1740 1407"> <tr> <td data-bbox="689 485 1003 643"> <ul style="list-style-type: none"> <li>Sorts of subnational affairs</li> </ul> </td> <td data-bbox="1003 485 1227 643">           All subnational affairs are autonomous (=1)         </td> <td data-bbox="1227 485 1496 643">           Both autonomous and commissioned (=0.5)         </td> <td colspan="2" data-bbox="1496 485 1740 643">           Autonomous, commissioned, and agency-delegation (=0)         </td> </tr> <tr> <td data-bbox="689 643 1003 884"> <ul style="list-style-type: none"> <li>Types of national involvement</li> </ul> </td> <td colspan="3" data-bbox="1003 643 1740 884"> <ul style="list-style-type: none"> <li>No involvement (=1)</li> <li>Legally-not-binding involvement (i.e. advice, recommendation, and reporting), (=0.5)</li> <li>Legally-not-binding and Legally-binding involvement (i.e., permission, approval, direction, and consultation) (=0)</li> </ul> </td> </tr> <tr> <td data-bbox="689 884 1003 970"> <ul style="list-style-type: none"> <li>Scope of national involvement</li> </ul> </td> <td colspan="3" data-bbox="1003 884 1740 970"> <ul style="list-style-type: none"> <li>legitimacy (=1)</li> <li>appropriateness (=0)</li> </ul> </td> </tr> <tr> <td data-bbox="689 970 1003 1129"> <ul style="list-style-type: none"> <li>Role of national government in <i>ex post</i> involvement</li> </ul> </td> <td colspan="3" data-bbox="1003 970 1740 1129"> <ul style="list-style-type: none"> <li>Inform to the third party (i.e., an independent judicial or auditing body) judgement (=1)</li> <li>Involve directly to subnational affairs without the third party's judgement (=0)</li> </ul> </td> </tr> <tr> <td data-bbox="689 1129 1003 1407"> <ul style="list-style-type: none"> <li>Types of <i>ex post</i> direct involvement</li> </ul> </td> <td colspan="3" data-bbox="1003 1129 1740 1407"> <ul style="list-style-type: none"> <li>Exerting amending or implementation orders to subnational government (=1)</li> <li>Exerting amending or implementation orders to subnational government and letting intermediate government exert amending or implementation orders to local government (=0.5)</li> <li>Exerting amending or implementation orders to</li> </ul> </td> </tr> </table>				<ul style="list-style-type: none"> <li>Sorts of subnational affairs</li> </ul>	All subnational affairs are autonomous (=1)	Both autonomous and commissioned (=0.5)	Autonomous, commissioned, and agency-delegation (=0)		<ul style="list-style-type: none"> <li>Types of national involvement</li> </ul>	<ul style="list-style-type: none"> <li>No involvement (=1)</li> <li>Legally-not-binding involvement (i.e. advice, recommendation, and reporting), (=0.5)</li> <li>Legally-not-binding and Legally-binding involvement (i.e., permission, approval, direction, and consultation) (=0)</li> </ul>			<ul style="list-style-type: none"> <li>Scope of national involvement</li> </ul>	<ul style="list-style-type: none"> <li>legitimacy (=1)</li> <li>appropriateness (=0)</li> </ul>			<ul style="list-style-type: none"> <li>Role of national government in <i>ex post</i> involvement</li> </ul>	<ul style="list-style-type: none"> <li>Inform to the third party (i.e., an independent judicial or auditing body) judgement (=1)</li> <li>Involve directly to subnational affairs without the third party's judgement (=0)</li> </ul>			<ul style="list-style-type: none"> <li>Types of <i>ex post</i> direct involvement</li> </ul>	<ul style="list-style-type: none"> <li>Exerting amending or implementation orders to subnational government (=1)</li> <li>Exerting amending or implementation orders to subnational government and letting intermediate government exert amending or implementation orders to local government (=0.5)</li> <li>Exerting amending or implementation orders to</li> </ul>			author
<ul style="list-style-type: none"> <li>Sorts of subnational affairs</li> </ul>	All subnational affairs are autonomous (=1)	Both autonomous and commissioned (=0.5)	Autonomous, commissioned, and agency-delegation (=0)																								
<ul style="list-style-type: none"> <li>Types of national involvement</li> </ul>	<ul style="list-style-type: none"> <li>No involvement (=1)</li> <li>Legally-not-binding involvement (i.e. advice, recommendation, and reporting), (=0.5)</li> <li>Legally-not-binding and Legally-binding involvement (i.e., permission, approval, direction, and consultation) (=0)</li> </ul>																										
<ul style="list-style-type: none"> <li>Scope of national involvement</li> </ul>	<ul style="list-style-type: none"> <li>legitimacy (=1)</li> <li>appropriateness (=0)</li> </ul>																										
<ul style="list-style-type: none"> <li>Role of national government in <i>ex post</i> involvement</li> </ul>	<ul style="list-style-type: none"> <li>Inform to the third party (i.e., an independent judicial or auditing body) judgement (=1)</li> <li>Involve directly to subnational affairs without the third party's judgement (=0)</li> </ul>																										
<ul style="list-style-type: none"> <li>Types of <i>ex post</i> direct involvement</li> </ul>	<ul style="list-style-type: none"> <li>Exerting amending or implementation orders to subnational government (=1)</li> <li>Exerting amending or implementation orders to subnational government and letting intermediate government exert amending or implementation orders to local government (=0.5)</li> <li>Exerting amending or implementation orders to</li> </ul>																										

Domain	variables	Definition and Operationalisation		Source
			subnational government, and cancellations or execution on behalf of subnational government (=0)	
<b>Administrative Capacity</b>	4. <i>Policy Making Authority (PMA)</i>	<p>(Definition) to what extent subnational government has the decision-making authority and delivery responsibility in a specific policy area</p> <ul style="list-style-type: none"> <li>• (General Administration) Personnel management, Organisational management, Financial management (budgeting and settlement), self-governing management</li> <li>• (Education) Curricular, Teachers' training, Evaluation, School management, Personnel management, Salary</li> <li>• (Long-Term Care Services) Levels and sorts of benefits, Criteria of eligible users, Fiscal management, and Delivery management</li> </ul> <p>(Operationalisation)</p> <ul style="list-style-type: none"> <li>• N, national government monopoly (=0)</li> <li>• C, national and subnational government shared (=0.5)</li> <li>• S, subnational government monopoly (=1)</li> </ul>		<p>Falleti (2005)  Hooghe et al. (2008)  Lane and Ersson (1999)  Shair-Rosenfield et al. (2014)  Wolman et al. (2008)</p>
	5. <u>Bureaucratic Governmentality (BG)</u>	<p>(Definition) whether subnational government had bureaucratic apparatus to plan, implement, and deliver when decentralisation take place, whether decentralisation contributes to develop subnational bureaucratic apparatus</p> <ul style="list-style-type: none"> <li>• Bureaucratic apparatus</li> </ul> <p>(Operationalisation)</p> <ul style="list-style-type: none"> <li>• P, present (=1), A, absent (=0)</li> </ul>		author

Domain	variables	Definition and Operationalisation	Source
Fiscal Capacity	6. Subnational Share of Revenue (SSR)	(Definition) fiscal resources are collected by subnational government (Operationalisation) <ul style="list-style-type: none"> <li>• <math>SSR = \frac{\text{Tax, non-tax revenues, and borrowing of subnational government}}{\text{National and subnational revenues-duplication}} * 100</math></li> <li>• SSR may take from 0 to 100.</li> </ul>	Arzhaghi and Henderson (2005)
	7. Subnational Share of Expenditure (SSE)	(Definition) fiscal resources are allocated by subnational government (Operationalisation) <ul style="list-style-type: none"> <li>• <math>SSE = \frac{\text{Subnational Expenditure}}{\text{National and subnational expenditure-duplication}} * 100</math></li> <li>• SSE may take from 0 to 100.</li> </ul>	Brancati (2006) Blochliger and Rabesona (2009) Castles (1999) Davoodi and Zou (1998)
	8. <u>Subnational Discretion on Fiscal Rule (DFR)</u>	(Definition) subnational government's discretion on taxing and borrowings (Operationalisation) - Hooghe et al. (2008) <ul style="list-style-type: none"> <li>• Tax rates and bases <ul style="list-style-type: none"> <li>- 0: the national government sets the base and rate of all regional taxes</li> <li>- 1: the subnational government sets rate of minor taxes</li> <li>- 2: the subnational government sets the base and rate of minor taxes</li> <li>- 3: the subnational government sets the rate of at least one major tax: personal income, corporate, value added, or sales tax,</li> <li>- 4: the subnational government sets the base and rate of at least one major tax: personal income, corporate, value added, or sale tax</li> </ul> </li> <li>• Subnational borrowings <ul style="list-style-type: none"> <li>- 0: the subnational government does not borrow (e.g. centrally imposed rules prohibit borrowing)</li> <li>- 1: the subnational government may borrow under prior authorization (ex</li> </ul> </li> </ul>	Ebel and Yilmaz (2002) Enikolopov and Zhuravskaya (2007) Falleti (2005) Hooghe et al. (2008) Kim et al. (2013) Meloche et al. (2004) Shair-Rosenfield et al. (2014) Stegarescu (2007) Treisman (2002) Woldendrop et al. (2000) Wolman et al. (2008)

Domain	variables	Definition and Operationalisation	Source
		<p>ante) by the central government and with one or more of the following centrally imposed restrictions: a. golden rule (e.g. no borrowing to cover current account deficits) b. no foreign borrowing or borrowing from the central bank c. no borrowing above a ceiling d. borrowing is limited to specific purposes</p> <ul style="list-style-type: none"> <li>- 2: the subnational government may borrow without prior authorization (ex post) and under one or more of a), b), c), d), e)</li> <li>- 3: the subnational government may borrow without centrally imposed restrictions</li> </ul>	
Organisational capacity	9. <i>Subnational Government Associations (SGA)</i>	<p>(Definition)</p> <ul style="list-style-type: none"> <li>• The number of subnational associations</li> <li>• The number of legalised subnational associations</li> <li>• The legal right to present opinions to national government</li> </ul> <p>(Operationalisation)</p> <ul style="list-style-type: none"> <li>• The maximum possible number of nationwide subnational associations is determined by horizontal and vertical tiers of subnational government and whether each tier has elected executive and legislative bodies.</li> <li>• The maximum possible number of legalised subnational associations is the same to the number of nationwide subnational associations.</li> <li>• The legal right: P, present (=1), A, absent (=0)</li> </ul>	Falleti (2005) Stone-Weiss (1997)
	10. <i>Territorial Representation of Interest in the</i>	(Definition) the discrepancy between the shares of legislative seats and the shares of population held by subnational governments	Falleti (2005) Samuels and Snyder (2001)

Domain	variables	Definition and Operationalisation	Source
	<i>National Legislatures (TRI)</i>	(Operationalisation) <ul style="list-style-type: none"> <li>• The Malapportionment Index by Samuels and Snyder (2001)</li> <li>• TRI may take 0 to 100.</li> </ul>	Stepan (2000)
	11. <u>Audit and Evaluation of National Government (NGAE)</u>	(Definition) the existence of national government's comprehensive evaluation and audit system about subnational governments' performance <ul style="list-style-type: none"> <li>• National comprehensive evaluation about subnational governments' performance</li> <li>• National audit about subnational governments' performances</li> </ul> (Operationalisation) <ul style="list-style-type: none"> <li>• P, present (=0), R, restricted audit or evaluation (=0.5), A, absent (=1)</li> </ul>	author

## Appendix 12 TRI (Territorial Representation of Interests) Measurement

Based on Samuels and Snyder (2001)

### 1. In single-tier system

The absolute value of the difference between each district's seat and population shares, adds them, and then divides by two.

$$MAL = (1/2) \sum |s_i - v_i|$$

### 2. In multi-tier system: single district constituencies and a nationwide proportional list system

- (1) Calculate the percentage of seats awarded to each district without including any upper-tier seats in the total number of seats
- (2) Multiply the percentage of the country's total population residing in each district by the number of upper-tier seats
- (3) Add the number of upper-tier seats allocated to each district to the number of lower-tier seats allocated to each district
- (4) Calculate the new percentage district using the total number of seats in the national assembly
- (5) Calculate malapportionment using the new percentage of seats for each district

Appendix 13 Changes of Subnational Autonomy in Japan: A Revised Measurement

Domain	Variables	Subnational Autonomy			Subnational Autonomy: Standardisation		
		1980	1994	2007	1980	1994	2007
Political Capacity	<b>1. Types of Appointment of Subnational Representatives</b>	5.5	5.5	6	<b>69</b>	<b>69</b>	<b>75</b>
	• Governors	E	E	E			
	• Mayors	E	E	E			
	• Educational Superintendents in intermediate	A/C	A/C	A/-C			
	• Educational Superintendents in local	A/C	A/C	A/-C			
	• Intermediate council	E	E	E			
	• Local council	E	E	E			
	• Boards of Education in intermediate	A/-C	A/-C	A/-C			
	• Boards of Education in local	A/-C	A/-C	A/-C			
	<b>2. Law Making Authority</b>	0	0	0	<b>0</b>	<b>0</b>	<b>0</b>
	• National legislations	N	N	N			
	• Constitution reforms	N	N	N			
	<b>3. Administrative Control</b>	2	2	0.5	<b>40</b>	<b>40</b>	<b>10</b>
	• Sorts of subnational affairs	0	0	0.5			
	• Types of national involvement	0	0	0			
	• Scope of national involvement	0	0	0			
• Role of national government in <i>ex post</i> involvement	1	1	0				
• Types of <i>ex post</i> direct involvement	1	1	0				

Domain	Variables	Subnational Autonomy			Subnational Autonomy: Standardisation		
		1980	1994	2007	1980	1994	2007
Administrative Capacity	<b>4. Policy Making authority</b>						
	<b>1) Education</b>	3.5	3.5	4.5	<b>58</b>	<b>58</b>	<b>75</b>
	• Curricular	C	C	C			
	• Teacher's training	S	S	S			
	• Evaluation	C	C	C			
	• School management	C	C	C			
	• Hiring, firing, placement	S	S	S			
	• Salary	N	N	N			
	<b>2) Long-term care services</b>	1	1.5	2.5	<b>25</b>	<b>38</b>	<b>63</b>
	• Levels and sorts of benefits	N	N	C			
	• Criteria of eligible users	N	N	N			
	• Financial management	C	S	S			
	• Delivery management	C	C	S			
	<b>5. Bureaucratic Governmentality</b>						
• Education	P	P	P	<b>100</b>	<b>100</b>	<b>100</b>	
• Long-term care	P	P	P	<b>100</b>	<b>100</b>	<b>100</b>	

Domain	Variables	Subnational Autonomy			Subnational Autonomy: Standardisation		
		1980	1994	2007	1980	1994	2007
Fiscal Capacity	<b>6. Subnational Share of Revenue</b>	39%	46.6%	43.6%	<b>39</b>	<b>47</b>	<b>44</b>
	<b>7. Subnational Share of Expenditure</b>	64.5%	67.1% (1995)	61.7%	<b>65</b>	<b>67</b>	<b>62</b>
	<b>8. Discretion on Fiscal Rule</b>	2	2	4	<b>29</b>	<b>29</b>	<b>58</b>
	• Tax rate and base	1	1	2	25	25	50
	• Subnational borrowing	1	1	2	33	33	66
Organisational Capacity	<b>9. Subnational Government Associations</b>				<b>41</b>	<b>41</b>	<b>74</b>
	• Number of subnational associations	9	9	10	56	56	63
	• The number of legalised subnational associations	6	6	6	66	66	60
	• The legal right to present opinions to national government	A	A	P	0	0	100
	<b>10. Territorial representation of interest (TRI)</b>						
	• The Upper House	10.3 (1980)	11.5 (1992)	11.7 (2007)	10.3	11.5	11.7
	• The Lower House	10.4 (1980)	9.8 (1993)	4.0 (2009)	10.4	9.8	4.0
	<b>11. National Audit and Evaluation (NGAE)</b>	1	1	2	<b>50</b>	<b>50</b>	<b>100</b>
	• National comprehensive evaluation	A	A	A	100	100	100
• National audit about subnational government	P	P	A	0	0	100	

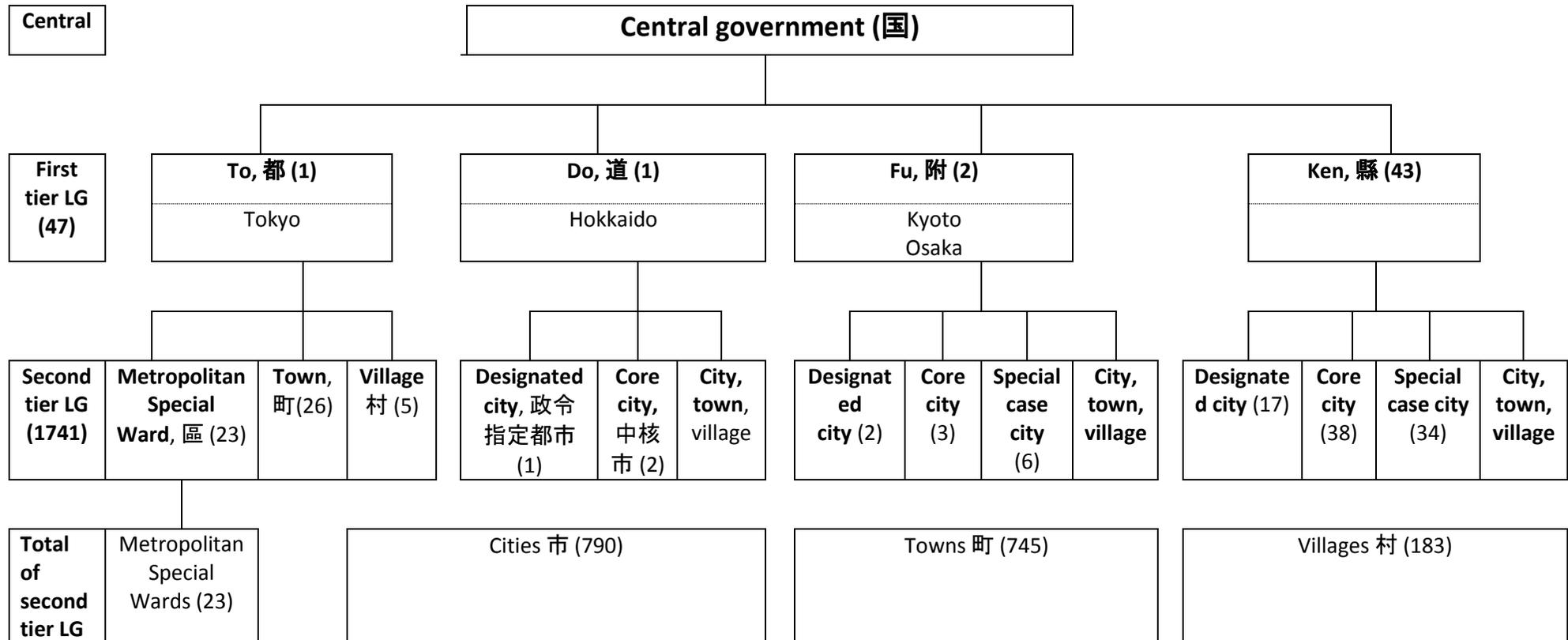
**Appendix 14 Changes of Subnational Autonomy in Korea: A Revised Measurement**

Domain	Variables	Subnational Autonomy			Subnational Autonomy: Standardisation		
		1988	1998	2008	1988	1998	2008
Political Capacity	<b>1. Types of Appointment of Subnational Representatives</b>	<b>0</b>	<b>5.5</b>	<b>6</b>	<b>0</b>	<b>92</b>	<b>100</b>
	• Governors	A	E	E			
	• Mayors	A	E	E			
	• Educational governors	A	R/E	E			
	• Intermediate council	A	E	E			
	• Local council	A	E	E			
	• Boards of Education	A	R/E	E			
	<b>2. Law Making Authority</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	• National legislations	N	N	N			
	• Constitution reforms	N	N	N			
	<b>3. Administrative Control</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	• Sorts of national involvement	0	0	0			
	• Types of national involvement	0	0	0			
	• Scope of national involvement	0	0	0			
	• Role of national government in <i>ex post</i> involvement	0	0	0			
	• Types of <i>ex post</i> direct involvement	0	0	0			

Domain	Variables	Subnational Autonomy			Subnational Autonomy: Standardisation		
		1988	1998	2008	1988	1998	2008
Administrative Capacity	<b>4. Policy-making authority</b>						
	<b>1) Education</b>	1	1	1.5	<b>17</b>	<b>17</b>	<b>25</b>
	• Curricular	N	N	N			
	• Teacher's training	C	C	C			
	• Evaluation	N	N	C			
	• School management	C	C	C			
	• Hiring, firing, placement	N	N	N			
	• Salary	N	N	N			
	<b>2) Long-term care services</b>	1	1	0.5	<b>25</b>	<b>25</b>	<b>13</b>
	• Levels and sorts of benefits	N	N	N			
	• Criteria of eligible users	N	N	N			
	• Financial management	C	C	N			
	• Delivery management	C	C	C			
	<b>5. Bureaucratic Governmentality</b>						
	• Education	P	P	P	<b>100</b>	<b>100</b>	<b>100</b>
• Long-term care	A	A	A	0	0	0	

Domain	Variables	Subnational Autonomy			Subnational Autonomy: Standardisation		
		1988	1998	2008	1988	1998	2008
Fiscal Capacity	<b>6. Subnational Share of Revenue</b>	22%	36%	32%	<b>22</b>	<b>36</b>	<b>32</b>
	<b>7. Subnational Share of Expenditure</b>	40.6%	48.4%	42.9%	<b>41</b>	<b>49</b>	<b>43</b>
	<b>8. Discretion on Fiscal Rule</b>				<b>14</b>	<b>29</b>	<b>46</b>
	• Tax rate and base	0	1	1	0	25	25
	• Subnational borrowing	1	1	2	33	33	66
Organisational Capacity	<b>9. Subnational Government Association</b>				<b>3</b>	<b>1</b>	<b>75</b>
	• The number of nationwide subnational associations	0	0	6	0	0	43
	• The number of legalised subnational associations	0	0	5	0	0	83
	• The legal right to present opinions to national government	A	A	P	0	0	100
	<b>10. Territorial representation of interest</b>	8.5 (1988)	3.9 (2000)	3.6 (2012)	<b>8.5</b>	<b>3.9</b>	<b>3.6</b>
	<b>11. National Audit and Evaluation</b>	0	0	0	<b>0</b>	<b>0</b>	<b>0</b>
	• National comprehensive evaluation	P	P	P	0	0	0
	• National audit about subnational government	P	P	P	0	0	0

## Appendix 15 National and Subnational Government of Japan



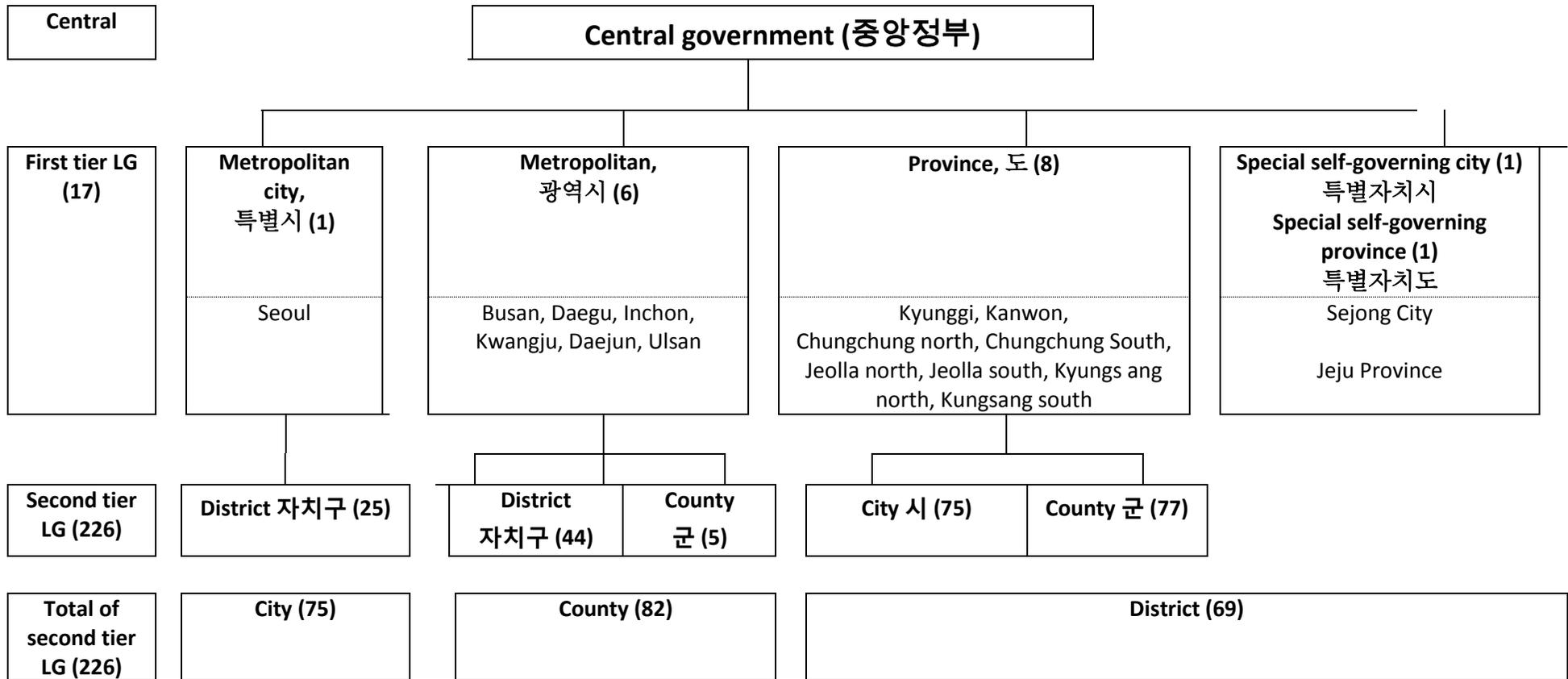
(Note) 1. Election for local government's head and council members: First tier of LG, second tier of LG

2. The executive head of the first tier Local government: Governor; the executive head of the second tier local government: Mayor

3. ( ) means number of local governments in that level.

(Source) Author devised based on Ohsugi (2009), Japan fact sheet and the interview with Hayashi on the 21st of November, 2014

**Appendix 16 National and subnational government of Korea**



(Note) 1. Election for local government's head and council members: First tier of LG, second tier of LG

2. The executive head of the first tier Local government: Mayor (City) or Governor (Province); the executive head of the second tier local government: Mayor

3. ( ) means number of local governments in that level.

(Source) Author devised.

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