

Japan has frequently been criticized for its highly centralized government, in which powerful bureaucrats in the national ministries dominate the policy process, planning and controlling most local policy issues. However, as society is becoming decentralized, think tanks have come to assume greater significance as public policy institutes, bridging and linking policy research with existing issues.

In April 2000, the Omnibus Law of Decentralization took effect, clearly defining the autonomy of local governments from the central government. In principle, local governments are now in charge of local and regional public policies independent of the central ministries, and so are responsible for all aspects of policy planning, including policy formulation, decision making, as well as policy implementation and evaluation. The Omnibus Law of Decentralization also laid the groundwork for developing guidelines to promote the formulation of local policies by other policy actors, namely, the public, nonprofit organizations (NPOs), and policy think tanks.

The participation of and cooperation with such independent policy

actors is essential in a decentralized society, just as policy pluralism is fundamental to and indispensable in self-governance. Thus, despite the centralized bureaucracy, the regional and local think tank community has been expanding in Japan. Each prefecture has its policy institutes, which seek to contribute to the regional and local policy process. Regional and plural policy infrastructures not only enable local government authorities to better plan policy, but they also serve to attract the participation of independent policy actors, thereby making it possible for alternate ideas to be adopted from a variety of policy debates. Such cooperation is important in the regional and local policy process, given that the issues discussed usually directly affect the communities involved, and requires a regional—rather than centralized—framework.

THINK TANKS TODAY

The existence of think tanks in Japan dates back to the first half of the 1970s, and there are currently some 400 such institutions.

In the latest survey, there was a roughly even number of for-profit corporate and nonprofit foundation or association think tanks. However, since 81 percent of the staff and 70 percent of the researchers belong to the for-profit sector, Japanese think tanks are generally considered to be for-profit corporate entities. Some 80 percent of all think-tank research is commissioned (table 1), mainly by the national government or regional and administrative authorities, or public organizations. The revenue derived from these is an important source of income but, with commissions decreasing recently due to the government's budgetary shortage, and the resultant competitive bidding in the selection of research institutes, think tanks are increasingly having to rely for their revenue on government subsidies, fund-related revenue, membership fees, and publication sales.

With interest rates around zero, think tanks that operate as foundations are finding it difficult to raise their own funds from endowments. Besides, while grants from domestic and overseas foundations play an insignificant part in funding policy research in Japan (National Institute for Research Advancement [NIRA] 2000), and the size of grants from Japanese foundations is miniscule and decreasing, policy

Table 1. Japanese Think Tanks: Staffing and Funding

	Number of Institutes		Staff	Researchers
A Nonprofit	150	51%	19%	30%
B For-profit	146	49%	81%	70%
Funding Source				
A + B	Commissioned	78.2%		
	Self-funded	18.7%		
	Grant funded	3.1%		

Source: National Institute for Research Advancement (2000).

research is not popular among grant-making foundations. According to a 1999 annual survey that analyzed more than 4,000 think tank research projects, only 130 projects (3.1 percent) were funded by grants (table 1).

THE DEVELOPMENT OF THINK TANKS

The discussions conducted by the Liberal Democratic Party (LDP) and the Ministry of International Trade and Industry (MITI) in the early 1970s shed light on the principles underlying think tanks in the past and their development since. These LDP and MITI reports, which led to the first think tank boom, assessed the institutions from a government-policy perspective as management consultants. U.S. think tanks, for example, were in 1971 classified into two main categories—wide-ranging and specialized—and subcategories; specialized think tanks were divided into laboratory- and office-based think tanks, and the latter were again divided into three subcategories: social and economic; management consulting; and system and technology (table 2). Another Japanese report of the early 1970s classified think tanks into five categories: traditional government, traditional science and technology, management consultancies, information research, and corporate research (Katagata 1970, 51–88).

According to more recent studies on think tanks worldwide, the institutions listed in the above-mentioned MITI report are generally no longer classified as think tanks, with the exception of the RAND Corporation and the Brookings Institution in the United States. Moreover, the Japanese think tank industry has developed quite differently

Table 2. MITI Classification of U.S. Think Tanks

Classifications		Typical Examples
Wide-Ranging		RAND Corporation, Stanford Research Institute, Battelle Memorial Institute, Arthur D. Little, Inc.
Specialized	Laboratories	Franklin Institute, Mellon Institute
	Offices	Social economic analysis Brookings Institution, Center for the Study of Democratic Institutions
		Management consulting Booze Allen and Hamilton Co., McKinsey and Co.
	System and technology	Systems Development Co., Computer Sciences Co.

Source: Ministry of International Trade and Industry (1971).

from that of other countries, as the MITI and LDP reports were inaccurate in their predictions of future developments.

THINK TANKS OVERSEAS

The term think tank was first used in the United States during the 1960s to describe the RAND Corporation,¹ and it is now widely accepted as synonymous with public policy research institute. However, RAND has become atypical of contemporary policy institutes, because of its close ties with the Pentagon, its research focus on science and technology, the relatively high proportion of contract research projects it handles, and its enormous size and budget. Meanwhile, the Brookings Institution remains a model think tank, with its wide-ranging policy research. According to current U.S. usage, the term think tank describes a mostly private, nonprofit, and independent institution (Stone 1996, 9–37).

In Germany, the institution of the think tank, such as the “big six economic research institutes,” is well developed.² In contrast to U.S. think tanks, the German institutes generally receive a considerable budgetary allocation from the federal government and local governments, with only a few enjoying the financial independence of their U.S. counterparts. While policy-related research institutes are generally associated with a foundation or an interest group, think tanks in

Germany pursue a public purpose, despite their dependence on financing and management from the federal government and local authorities (Gellner 1998, 82–106). Nevertheless, they enjoy the same research autonomy and freedom as do publicly supported universities. Moreover, German think tanks provide politicians and governments with new policy ideas, and the general public with research.

In Asia, meanwhile, think tanks usually have close ties to the government and are able to influence the policymaking process. The Korea Institute for International Economic Policy (KIEP), founded in 1990, with its staff of about 100, specializes in the international economy and enjoys a role as a direct policy adviser to the South Korean government.

Think tanks worldwide have any one or some of several characteristics: they are permanent bodies, independent from governments or universities, multidisciplinary, policy-oriented, geared to a public purpose, and offer a professional level of expertise. They are generally classified into four categories: academic institutions, referred to as universities without students; contract researchers; advocacy think tanks; and party think tanks (Stone 1996, 9–24; McGann and Weaver 2000, 6–12). In addition, there are public policy research institutes that provide new ideas for politicians seeking innovative policies for elections, evaluate policies with a long-term perspective, and support administrative staff with their policy expertise. Since an important audience for think tanks is the public, most of their research is widely available.

There is as yet no hard and fast definition of a think tank, although the U.S. model is generally used as the prototype. However, due to regional differences in the social and political environment, policymaking process, political appointee system, and relationships among policy actors, the organizational status and policy research activities of think tanks differ considerably not only among but also within countries. So, while Asian institutions might not be considered independent from the government according to the U.S. definition of a think tank, they do nevertheless benefit from assured and sufficient financial support, and have a certain degree of freedom and autonomy not enjoyed by government departments and institutes. Moreover, it is their very relationship with implementing authorities that enables them to influence the public policy process.

CHARACTERISTICS OF JAPANESE THINK TANKS

Created largely as a consequence of influential discussions and policy reports released in the 1970s, Japanese think tanks comprise many for-profit companies, the work of which is generally restricted to the areas of management consulting and client-commissioned projects. They have yet to be drawn into a structure to support NPOs. In other countries, think tanks are primarily public policy institutions that analyze social and economic issues based on their particular area of expertise, the Brookings Institution being a typical example; management consultants as well as scientific and technological institutions are separate categories of business.

Operating as for-profit businesses is the main characteristic that differentiates think tanks in Japan from those in other countries. Japanese think tanks are generally subsidiaries of major banks and financial institutions, or members of the former conglomerates (*zaibatsu*) that were largely disbanded following World War II, and conduct research projects exclusively for their clients, although some do conduct public policy research.

Second, 80 percent of the think tank research is conducted on a contractual basis, commissioned by businesses or governmental institutions, with projects usually individually commissioned, contracted, and strictly controlled by research agreements. This is in sharp contrast to the numerous policy institutes in the United States and Europe that do not accept contract projects.

Third, because of their dependence on government authorities and parent companies for financial and personnel resources, think tanks are unable to conduct independent research (NIRA 1997).

Fourth, most think tank research is not in the public domain, as information concerning about 85 percent of the research reports is not disclosed. In the 1999 worldwide survey of think tanks conducted by the National Institute for Research Advancement (NIRA), about 40 percent of institutes stated that they made "all" policy reports available to the public, and about 35 percent said that they made "most" of them available (NIRA 2000). The confidentiality of think tank reports is exceptionally high in Japan.

RECONSIDERING THINK TANK ACTIVITY

Participatory policy analysis (PPA) has been proposed to improve and resolve dilemmas of traditional social analyses.³ PPA addresses two failures of traditional analysis: its undemocratic nature and the analytical mistakes that result from its positivist framework. Traditional policy analysis was not particularly concerned with the tension between expert knowledge and democracy but, rather, was focused on experts and professional knowledge. Thus, whereas traditional policy analysts were accused of serving the interests of power elites, exploiting the masses, and helping to maintain the status quo, PPA not only encourages citizen participation, but it also involves citizens in policy-making.

There are four types of PPA, namely, that which assesses the degree of participatory democracy, facilitates the input of analyses, serves an interpretative function, or analyzes stakeholder policy. They differ in purpose and in the relationships that exist among policy actors, which include policy analysts, citizens, decision makers, and stakeholders. The PPA that assesses democratic participation gives policy analysts a direct link to citizens, while the other three types of PPA sometimes allow policy analysts to receive information from citizens, but do not necessarily provide advice or information directly to citizens (Durning 1993). The first type of PPA is the only model with direct links between policy analysts and citizens and, with the goals of empowerment, liberation, and social transformation, it shares similarities with think tanks and traditional policy analysis.

There are several reasons for policy debate being limited in Japan. First, Japanese citizens have been excessively dependent on government, and there has been little participation by outside policy actors (Miyakawa 2000). Think tanks have not been promoted to propose or provide alternative ideas in competition with or critical of government policy. With their work restricted mainly to commissioned projects that involve simply collecting data and information to confirm and verify the policies of clients such as governments, parent companies, or industry, Japanese think tanks have not supported PPA for participatory democracy.

Second, policy research as an academic discipline is not well

developed in Japan. By comparison, policy studies and public policy research have long been conducted at U.S. universities, and with the advance of policy studies as a discipline, many university-affiliated think tanks have become involved in the policy process and are promoting policy discussions. Recently, Japanese universities have started to set up faculties and departments for undergraduate and postgraduate policy studies. The University of Tsukuba was the first to take the initiative in 1976, followed by Saitama University in 1977. Many other universities followed suit in the 1990s, including the Faculty of Policy Management of the Shōnan-Fujisawa Campus at Keiō University, the Faculty of Policy Studies at Chūō University, and the College of Policy Science at Ritsumeikan University. In 1997, the National Graduate Institute for Policy Studies was established to supersede the Graduate School of Policy Science at Saitama University (Miyakawa 1995; 117–121, Ōya, Ōta, and Mayama 1998, 6–9).

The third reason that policy debate is limited in Japan is that details of the policy process and related government information are rarely disclosed to the public. Only central ministries have policy-related information and it was not until April 2001 that the Law Concerning the Disclosure of Information that Administrative Organs Hold (Freedom of Information Act) was introduced, compelling the government to disclose certain types of information. Now, in the wake of the government's expanded accountability, in terms of information disclosure and policy evaluation, policy information must be studied further.

THE DEVELOPMENT OF REGIONAL POLICY INSTITUTES

Regional think tanks exist in every Japanese prefecture and generally focus on policy issues within the region or prefecture and promote regional policy studies.⁴ The Think Tank Association of Japan, established in 1985 to promote cooperation among think tanks in the area of information and research exchange, lists about 130 regional institutes throughout the country, excluding Tokyo, Chiba, Kanagawa, and Saitama prefectures. Another association, the Metropolitan Think Tank Group, comprises 12 institutions in the four prefectures. This compares with 110 state-level think tanks found in the United States (Rich 2000).

Table 3. Breakdown of Regional Think Tanks

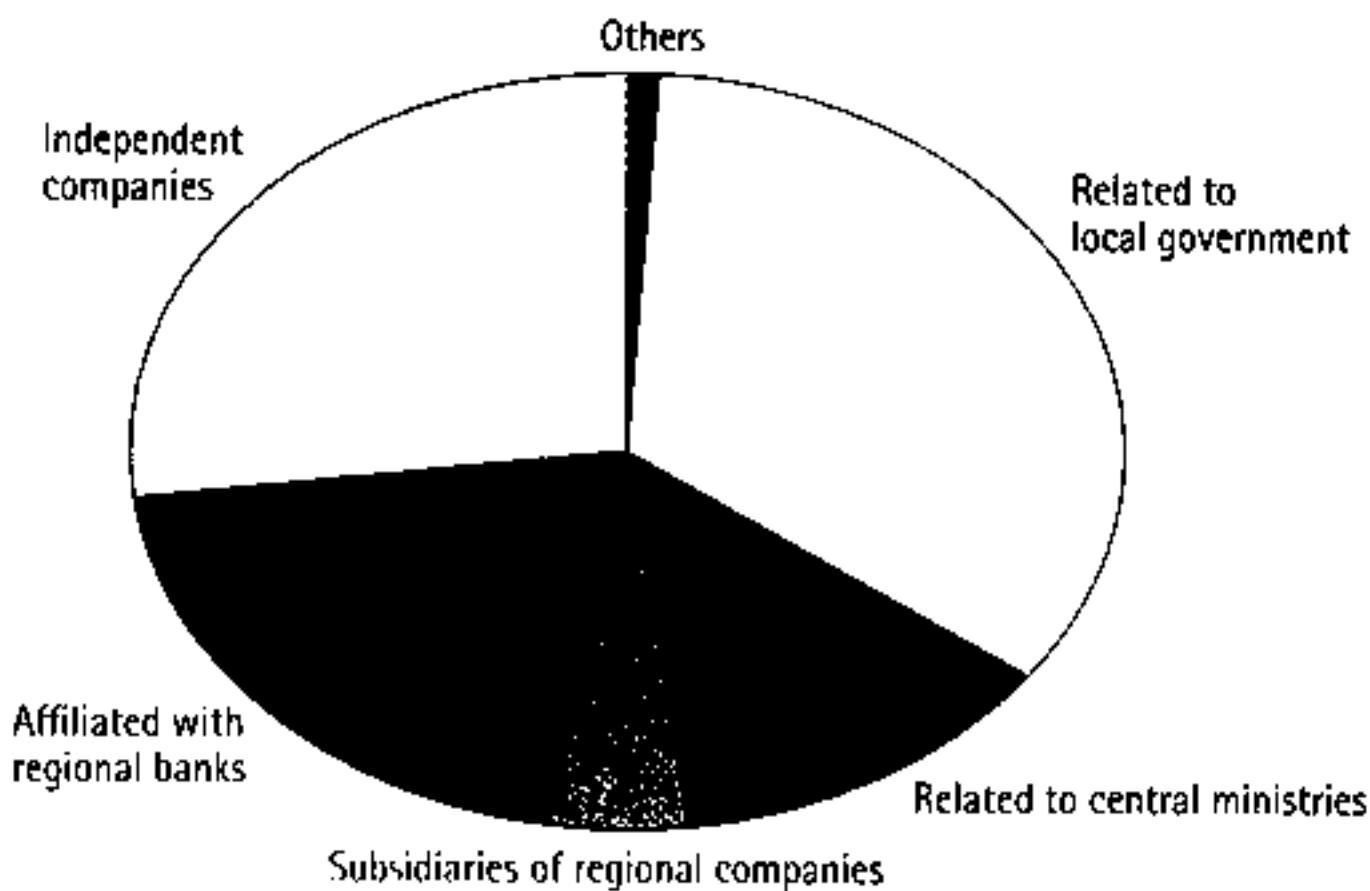
Type	Number	Year Set Up	Number
A For-profit	56		
B Nonprofit	73		
A + B	129	prior to 1959	2
		1960s	19
		1970s	40
		1980s	48
		1990s	20

Source: National Institute for Research Advancement (2000).

Regional and local think tanks have been set up mainly since the 1960s, with the exception of the Kyushu Economic Research Center that was founded in 1946. In the 1960s, many institutes were established under the auspices of central government ministries; in the 1970s, such institutes were established by local governments and regional banks. Then, in the 1980s, there was a regional boom in think tanks, particularly between 1986 and 1988.

Fifty-six percent of regional think tanks operate on a nonprofit basis (table 3), compared with the 51 percent of think tanks as a whole that do so, and the majority were founded by prefectural governments, in some cases in association with municipal governments or regional banks (fig. 1). Regional think tanks receive a considerable amount of

Figure 1. Regional Think Tanks by Affiliation



Source: Data from National Institute for Research Advancement (2000).

commissioned research from governmental institutions, one third of which are local authorities.

After the collapse of the bubble economy in the early 1990s, many think tanks were restructured or transformed. For example, the Yamaichi Research Institute of Securities & Economics, Inc., a subsidiary of Yamaichi Securities Co., Ltd.,⁵ was closed down in January 1998, and the LTCB Research Institute, Inc., an affiliated corporation of the Long-Term Credit Bank (LTCB),⁶ was transferred and renamed, following the LTCB's bankruptcy in 1998. Then, in connection with the recent restructuring of Japanese banks, a research division of the Sakura Institute of Research Inc. was merged with a department of the Japan Research Institute Ltd., following the merger of the parent companies, Sakura Bank and Sumitomo Bank. The Dentsū Institute for Human Studies, which had originally operated independently from its parent company, the advertising giant Dentsū Inc., recently became an internal division of the parent.

Outside Tokyo, the regional Takugin Research Institute was transformed into the Hokkaido Research Institute for the Twenty-First Century Co., Ltd., in the wake of the 1997 bankruptcy of the parent bank, Hokkaido Takushoku Bank.⁷ The new organization operates as a regional think tank in Hokkaido, where it has financial support, and specializes in regional policy issues (NIRA 2000). By contrast, Think Tank Saitama and Mie Institute of Social Economic Research suspended operations due to the administrative reforms adopted in their respective prefectures.

Twenty new regional think tanks were established during the 1990s (table 3), including the Kochi Prefecture Policy Research Center (1992), Economic Research Institute for Northeast Asia (1993), Tottori Research Center (1995), and Yamanashi Research Institute Foundation (1998). By contrast, the industry itself did not expand significantly in the decade.

RELATIONS WITH LOCAL GOVERNMENTS

As the number of regional think tanks has grown, so has their influence in moving the policy community toward decentralization by promoting regional policy activities, advancing policy discussions,

and acting as a bridge between governments and other players in the policy process.

Despite their influence, however, think tanks still have a vertical and hierarchical relationship with local governments, the former institutions being contracted to carry out policy research projects by the latter (table 4). Local administrative staff often consider think tanks to be consultancies rather than independent public policy research institutes, for which reason administrators often seek ways of making

subcontracted think tank studies useful to the local cause. Local government-related think tanks are generally government subsidiaries that rely on the government for financial and personnel resources. Further, reinforcing the hierarchical relationship between Tokyo and regional or local-area think tanks, one will sometimes even find local think tanks appointing directors from Tokyo-based institutions.

Administrators will often emphasize the importance of government policy institutions as they promote the establishment of policy centers within local governments, in a bid to improve the standing of their own local authority. They recognize the need to analyze long-term policy research perspectives and the fact that, in the decentralized policy process, local governments must become powerful policy administrators. Administrators also realize that, in order to develop their own think tanks, researchers must have had a chance to experience policy administration duties, otherwise they will not be able to identify the problems and obstacles in the policy administration process or propose effective and practical policies.

COMMISSIONED PROJECTS

With close to 80 percent of think tank research in Japan being commissioned (table 1), these institutes are clearly highly dependent financially

Table 4. Research Contracted to Regional Think Tanks

Contracting Clients	% of Total Research
Central ministries	17.6
Prefectural governments	12.2
Municipal governments	20.8
Other local government-related institutions	7.9
Special-status corporations	9.0
Foundations	17.0
Business corporations	13.0
International institutions	0.2
Others	1.9
NA	0.3

Source: National Institute for Research Advancement (2000).

on such projects. In the area of policy research, there are two types of contracts: one in which the contracting institution selects the policy theme, and the other in which the commissioned institute selects the theme, which allows it eventually to provide alternatives or new policy ideas.

The dependence on commissioned projects inevitably leads to bias. Commissioned research will often defend and support a client's policies and not provide alternatives or criticisms. So it is that, with most regional think tank clients being governments, policy research generally supports and does not contest governmental policies. But before researchers can present their own visions and ideas regarding existing governmental policies, they need to be specialists with post-graduate degrees in the relevant areas of policy studies.

There are three basic criticisms of the current role of think tanks. First, their research supports government-related regional development projects. One of the many projects jointly financed by local government and the private sector in the late 1980s and early 1990s is the Seagaia resort in Miyazaki city, on the island of Kyushu in southern Japan. The Seagaia project, approved in 1989, was financed by a group including the Miyazaki prefectural government, Miyazaki city, and local businesses. The resort went bankrupt in February 2001. Although local government authorities made the final decisions to establish the resort and so are responsible for the results, it is think tanks that provided the research which defended the primary plans. Many joint projects that have failed reveal a similar lack of proper evaluation of both management and financial estimates by think tank research. As a result, authorities have often been required to reimburse the community, which has greatly depleted their budgets.

Second, the attitude of government staff toward think tanks is also a problem. If think tanks are to provide views and suggest policies that differ from those of the government, the authorities must consider the researchers to be equal partners or their counterparts, and should not ask the researchers to alter their analyses if they differ from or challenge government policy.

Third, the results of many commissioned projects are not available to the public, even though the projects are publicly sponsored. Given the centralized nature of policy development, often when specific issues have been discussed and analyzed by regional and local

think tanks at the behest of central ministries, the research has been found to be a carbon copy of earlier reports with no plans suitable for a particular region or prefecture. If the quality of policy research is to improve, think tank research reports must be made public; after all, publicly financed research is not the concern solely of administrative bodies, but also of the public.

REGIONAL POLICY COMPETITION

With the enactment of the Omnibus Law of Decentralization, Japan entered the era of policy decentralization, as a result of which regional policies are expected to change, bringing in their wake policy conflicts among local governments.

First, policy competition could become critical at the regional and local levels, with regional policymakers, local governments, and other regional actors fueling conflicts with other local authorities based on the fiscal potential and such other capacities as the management and policy-formulation ability of local governments. Although there was no competition among local governments while policymaking was centralized, there will henceforth be more policy divergence among local authorities (Sasaki 2000, 39–51). A case in point is the suggestion, by Tokyo Governor Ishihara Shintarō, of a new tax system whereby an asset-based corporate tax will be levied on major banks. This local tax is controversial, and the banks have sued the Tokyo government.⁸

Second, some of the new policy problems that have initially surfaced at the regional or local level are expected to spread nationwide. Although in centralized industrial societies social change generally first becomes apparent in urban areas, this, too, is changing in Japan; the aging population is now more apparent in rural villages, such as those in Iwate prefecture in the north, than in Tokyo. But, since the central government typically does not take the initiative to resolve emerging regional problems until they have spread nationwide, it cannot be expected to take immediate action regarding regional and local problems (Nihon Chihōjichi Kenkyūgakkai 1998, 7–9).

By contrast, in a decentralized society, problems are solved by policy actors, including citizens and local governments. They set up their own support systems for public policy research and establish

innovative models in order to select the optimum regional policy processes.

OPPORTUNITIES FOR REGIONAL THINK TANKS

In Japan, local authority is based on the principle of direct democracy. Governors and mayors are elected directly by voters in their constituencies, while political candidates advocate their political goals to the voters in election campaigns, and constituents select their leaders by comparing policy proposals. Think tanks, as public policy institutes, seem to function more efficiently and play an important role in the policy process where such direct democracy prevails, rather than under a system of indirect democracy, as is the case with the national government that is based on a parliamentary system. To date, policy proposals by outside actors, including think tanks, have been ignored in Japan's centralized system, with its powerful bureaucrats orchestrating the invisible and dominated policy process. The system is not designed to accept alternative ideas.

Lack of the legal requirement that information be disclosed has been one of the main reasons that think tanks have not played a significant role in the policy process. Local governments have compiled their own information disclosure rules and regulations, significantly ahead of the central ministries; to date all 47 prefectural and about 850 municipal governments have enacted information disclosure regulations. At the prefectural level, Kanagawa was the first to enact a disclosure ordinance in 1983, followed by the other prefectures, with Ehime finally enacting such a requirement in 1998. The central government's Freedom of Information Act was not enacted until April 2001. A pioneering disclosure ordinance was adopted by the Miyagi prefectural government in December 2000. Miyagi's Governor Asano Shirō debated and struggled with the prefectural police until the regulatory revision was finally enacted, marking the first time that the discretion and judgment of the Japanese police had been circumvented with regard to the disclosure of information.

The more transparent system will allow outside policy actors to play an ever-expanding role in the regional policy process. Given that regional issues differ significantly from those of the central government

and are much closer to the community, the data necessary are more likely to be gathered than were the national political process involved. National policy issues are usually more complex, have more actors, and involve more diverse information that is harder to obtain.

EXPANSION OF THINK TANK NETWORKS

While the expansion of these networks is essential if they are to be more influential and visible in the policy process, their policy research must be done by adequately skilled researchers and be made public. Several regional think tank networks are being established with a view to collaborating in the policy process, while in the global framework, networks such as the Global Development Network, Global ThinkNet, ASEAN-ISIS (Institutes for Strategic and International Studies), and Transition Policy Network are expanding (Struyk 2001).

The Think Tank Association of Japan, the largest network of regional policy institutions in the country, promotes research cooperation programs including annual conferences and forums, while several other networks, including both metropolitan and local government institutions, are also active.

Think tanks provide the opportunity for policy debates to be conducted, involving participants from various sectors and regions. As these networks and collaborative projects expand, so do the policy actors, which are increasingly including universities and local governments. For example, Policy Net—a network for policy analysts—was established in 1999, and has a diverse membership including policy researchers at universities and think tanks, administrative staff from the central government and local authorities, and members of the Diet and local assemblies. The institution, which seeks to advance policy research and ensure its effective use, holds an annual conference, the Policy Messe (<http://www.policynet.jp>).

Regional think tanks benefit from networks and information infrastructures since they permit the candid discussion of topics and the expression of independent views. The institutions, in turn, play an important role as alternate channels through which topics that government authorities find it difficult to tackle by initiating policy debates may be addressed. The networks are being expanded by think tanks

that use information and communication technology (ICT) networks and can tap organizational cooperative relationships.

University-Affiliated Policy Institutes

Recently, a number of university-affiliated policy institutes have sought to join Japan's policy community. Limited though their policy-related activities have been to date, university-based researchers play an indispensable academic role in the policy process by participating in local government committees and councils. In addition to individual participation, university institutes are seeking to promote policy research by developing it as an academic discipline. Nevertheless, Japanese university institutes have rarely been recognized as think tanks or policy institutes because these institutions have been somewhat reluctant to apply their scholarly research to policy, and policy research has not been well developed as an academic discipline. University professors tend to focus their interest specifically and narrowly on their academic field and work within their academic circle.

In 1999, the Tokyo Metropolitan University's Center for Urban Studies, founded in 1977, became an interdisciplinary body for the study of urban issues. The center had decided to focus on policy research in 1994 and, within five years, became an independent body within the university and established new post-graduate courses in urban studies. The post-graduate education program has been broadened to train experts and professionals in the field of urban sciences; continuing education courses are available for those who are interested in urban policy—including local officials; and university-wide multidisciplinary policy research is being promoted using the center as an interface with all the university's researchers to promote policy studies. The purpose of serving as an interface is to enable research to be conducted to devise effective and useful policies for the Tokyo metropolitan government, the university's founder and sponsor. Moreover, since urban issues generally cover a wide range of subjects, analysis must reflect a multidisciplinary approach, while there must be interdisciplinary collaboration in the coordination of research.

Because the primary mission of the university institute is to advance academic interests, the center's professors and members frequently discuss the degree of their involvement in policy studies. These open

discussions are useful in establishing a consensus on how best to advance policy research among university scholars and, together with members' endeavors, the center is expected to be a pioneering model of a Japanese university's policy research institute (<http://www.comp.metro-u.ac.jp>). University policy institutes are now seeking both to advance policy research academically, and to promote debate on regional and local policy processes.

The plan to privatize universities recently put forward by the national government has drawn attention to the role of publicly funded tertiary education. In addition to the role of university institutes in academic research and education, their regional contributions have become increasingly important. Such institutes already have an assured financial source, and with their distinguished research expertise, many are expected to play a leading role in the policy community. Compared with the existing Japanese think tanks, university institutes are able to maintain policy research autonomy without experiencing critical financial difficulty. Consequently, they are expected to promote policy evaluation, long-term historical policy studies, policy agenda setting, the detailed comparison of different policy ideas, and the promotion of multidisciplinary policy debates. In order to encourage more university institutes to participate in the policy process, policy research must be recognized as an academic pursuit. Moreover, universities have already established their independence, autonomy, and objectivity, and so their involvement in the policy process is expected.

Community Think Tanks

Community-based think tanks are playing a leading role in policy decentralization, by pinpointing and solving policy problems in local communities. Staunchly defending regional independence and citizen sovereignty, these institutions can best be described as activity-oriented community think tanks that help citizens by providing opportunities to discuss policy issues with sufficient disclosure of information and exchange of information, and by establishing a sustainable community. Their principle is community development by the people, a concept that is completely different from the building and construction-based public works projects led by the civil service. Grass-roots community development involves the nurturing of a

sustainable community, helping the local citizens become autonomous and self-governing, as well as promoting regional revitalization, a community outlook, and a cooperative community policy.

The main concern of these community think tanks is citizen participation and the policy process. Although citizens address many problems through discussion with the local authorities, government staff and members of local assemblies tackle most problems without consulting the people or informing them about what is being done. But by sharing information and providing alternatives and comparative analyses, think tanks can help citizens solve their own problems.

In order to solve policy issues in the regional framework, think tank researchers require expertise in the areas of networking and coordinating with a broad range of policy actors, including citizens, NPOs, corporations, administrative officials, and specialists; communicating and exchanging information with a variety of actors; planning and designing decision-making frameworks according to which decisions can be made regarding who to involve and how to discuss policy issues; and conducting research in and analysis of regional problems.

Community think tanks allow citizens' sovereignty to be tapped and innovative policy ideas to be generated by the regional leadership. They must, thus, broaden their expertise to include problem-solving skills and innovation and, if they are to be more effective and influential in the area of regional policy, a support system and a mechanism to utilize regional resources to provide policy solutions should be devised (NPO Seisaku Kenkyūsho 2000) based on the principles of regional independence, citizen sovereignty, and a people/ information focus.

Future Direction: A U.S. Example

In Japan, nonprofit regional think tanks are set up by prefectural governments and receive support from public organizations. It is interesting to compare them with think tanks overseas, where they are run along different lines. For example, the Public Policy Institute of California (PPIC), established in San Francisco in 1994, is dedicated to improving public policy decision making in the state of California through independent, objective, nonpartisan research. The PPIC was established because it was generally recognized that the state lacked "informed advice based upon adequate data and careful, objective

analysis," despite its being "one of the largest political and economic entities in the world." It was set up "to provide the State of California, particularly its elected representatives in the legislature and executive branch, with objective analysis of the major economic, social, and political issues facing the state" (Heynes 1993). PPIC produces independent policy research with its team of well-qualified academic scholars, and is quite different from the advocacy tanks that have recently sprung up among U.S. think tank institutes.

PPIC is financed mainly by project grants and earnings from a US\$70 million William R. Hewlett endowment, that was established to lend a helping hand in recognition of the fund-raising pressure borne by public policy institutes and the risks faced by their staff when the nature of the activities in which they engage are dictated by the interest of funding sources. The endowment provides PPIC with the basic funding required to cover essential administrative functions and conduct pilot projects. The organization's research staff is appointed for a fixed number of years and is encouraged to network with the bureaucracy to ensure that important issues and PPIC policy suggestions are heeded.

The Economic Research Institute for Northeast Asia, a Japanese regional think tank, has an endowment of some ¥3,600 million. The endowment is financed by local authorities, government organizations, the business sector, and academic circles. The institute also received subsidies from the Niigata prefectural government. Another regional think tank, 21st Century Hyōgo Project Association, has an endowment of ¥2,600 million financed by business, the public sector, and academic circles. Although the endowments of these two institutes are substantial compared with those of other Japanese regional think tanks, they are small compared with PPIC's endowment. Perhaps Japan's think tank community might benefit from studying the structure of overseas think tanks such as PPIC.

CONCLUSION

The Omnibus Law for Decentralization was enacted as a result of a movement that demanded increased political leadership as well as greater pluralism in the policy process. There is thus a need, if greater

policy decentralization is to be achieved, for the relationship among government authorities as well as the entire policymaking system to be changed to a horizontal, cooperative system from a vertically controlled and coercive one.

In the interests of achieving a decentralized society, grass-roots involvement should be encouraged in developing and sustaining public interest and the regional infrastructure. But, in order for government bodies to relinquish some of their policymaking activities, they must first change their attitude to external policy actors, including think tanks, and help create a policy infrastructure and support system. This would allow—as in civil society in other countries—a variety of policy advocacy groups to propose policy ideas and policies to be selected and implemented in cooperation with a variety of actors, including elected officials, government authorities, and constituents. And, where such competitive democratic policy processes are at work, think tanks play a major role.

To simultaneously achieve policy decentralization and advance pluralism, regional policy infrastructures must first be developed to meet local needs. To this end, consideration must be given to the development of financial resources, including funds for policy research; the disclosure and utilization of think tank research; setting up cooperative relationships with universities; and expanding think tank networks. While the majority of regional think tanks are currently connected to and often controlled by local administrative bodies, they could in future be transformed to resemble those institutes set up since the introduction of the NPO Law; political or advocacy think tanks that, for example, assist governors or local assemblies; or public-focused civic institutions.

It is time that the role of think tanks as public policy institutes be reconsidered. Public policy research can no longer continue to be limited to the narrow consulting requirements of companies or industries, and it must be recognized that bureaucrats involved in the policy process cannot be unbiased and propose long-term strategies or ideas that might produce a drastic change or paradigm shift. Think tanks, on the other hand, can tackle diverse issues with a multidisciplinary approach, and design and propose new or alternative policy goals, which serve to deepen policy discussions. They should have their own policy experts, schooled in various disciplines, not researchers seconded from

administrative bodies who cannot be completely unbiased regarding existing policies.

Think tanks are well placed to promote the discussion of policy issues and so can play a leading role in advancing political leadership and civil sovereignty to enhance the country's system of governance. In this era of policy decentralization, regional think tanks can be expected to become more effective and influential as they become increasingly involved in the policy process.

NOTES

1. Dickson (1971) refers to "Mother RAND" in his book, which is one of the early publications on think tanks.

2. The six institutes are the Hamburg Institute for Economic Research (HWWA, founded in 1908), the Kiel Institute of World Economics (IfW, 1914), the German Institute for Economic Research (DIW, 1925), the Rhein-Westphalia Institute for Economic Research (RWI, 1943), the Ifo Institute for Economic Research (Ifo, 1949), and the Halle Institute for Economic Research (IWH, 1992.). All six institutes appear on the blue list; the Hamburg and Kiel institutes are public institutions, and the other four are NPOs.

3. Such dilemmas include the ruling elite and pluralist models.

4. Nevertheless, the concentration is on Tokyo's problems as 54 percent of think tank institutes and 79 percent of all researchers are located in the Tokyo metropolitan area.

5. Yamaichi Securities, one of Japan's four top security companies, went bankrupt and closed down in June 1999.

6. The LTCB was acquired by an investment group comprising Ripplewood Holdings and other investors. It was renamed the Shinsei Bank in June 2000.

7. Hokkaido Takushoku Bank, established in 1900, was the first city bank to declare bankruptcy, which it did in November 1997. Its branches in Hokkaido were taken over by North Pacific Bank and those on Japan's main island of Honshu by Chūō Trust and Banking.

8. Details of the new tax are discussed in chapter 6.

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