

PREFACE

The intent of this book is to present a new paradigm of leadership and management in public administration, especially at the national, regional and municipal levels, that operationalizes organizational transformation and policy reforms grounded in the knowledge creation theory of management.

In the recent past, national, regional and municipal administrations in many countries have striven to accelerate their organizational transformation, policy reform and/or institutional change processes, to react to the increasingly volatile and uncertain external environments they find themselves having to face. How public administration can be more innovative and effective in coping with societal issues has become truly critical for any country, and this fact has led to intensified inquiries into new ways of managing these entities. The practices holistically conceptualized as “New Public Management” have been earnestly adapted from the West since the turn of the new Millennium, but have generally fallen short of facilitating the much needed innovation in policies and administrative reforms in the adopting countries of the Asia Pacific.

In their 2012 bestseller “Why Nations Fail—The Origins of Power, Prosperity and Poverty,” Acemoglu and Robinson (2012) argued that the success of a nation depends on establishing inclusive economic and political institutions. Through intensive research, they concluded that together with an open and fair government system, inclusive institutions create potent momentum towards economic growth, by encouraging investment, harnessing the power of markets and generating broad

political and economic participation. The existence of such institutions within open and fair political, economic and legal systems means that citizens are free to conduct their own economic activities and may even voluntarily seek to collaborate with each other. Collaboration facilitates the integration of knowledge, which in turn results in innovation. On the contrary, in what is called an “extractive” social system, society struggles to combine its existing knowledge, hindering opportunities for innovation.

Their findings and arguments are persuasive; nevertheless, readers are left with open questions in relation to the crucial processes through which an inclusive institution emerges, and the role of public administration in these processes. What we try to offer by grounding our work in knowledge-based management theory is a theoretical framework that clarifies these processes in the current context of Southeast Asia and Japan. By focusing on the dynamic processes of knowledge creation for the purpose of solving societal issues, we assume that we may be able to understand the major factors that facilitate or impede institutions’ transformative processes.

With a view to finding alternative management approaches for public administrations, scholars in four Southeast Asian countries (Indonesia, Philippines, Thailand, and Vietnam) and Japan formed a joint research project in 2013 within the existing collaboration between the Japan International Cooperation Agency (JICA), the National Graduate Institute for Policy Studies (GRIPS), and the Graduate School of International Corporate Strategy, Hitotsubashi University (Hitotsubashi ICS). This project took advantage of the 10 years of joint studies between JICA and Hitotsubashi ICS. The project’s intention was to identify factors that affect the effectiveness or the performance of public administrative bodies by determining whether the knowledge-based management theory used in the private sector is also applicable to public sector management.

Within the scope of this project, the researchers from the five countries conducted intensive case studies on the innovative processes of public organizations at national, regional, municipal, and community levels. This work has identified important cases of reform in various national, regional, and municipal administrations, as well as in relation to community development. In this book, we focus on those innovative public administrations. Its sister book, *Knowledge-Creating Communities: A New Paradigm for Community Development*, focuses on the knowledge

creation process in community development that leads to the transformation of mindsets and actions within a community.

However, the two books share the same theoretical foundation—the knowledge creation theory of management—and similar hypotheses and purposes. These are to: (1) promote these distinguished case studies from the five countries as exemplars in solving societal issues within diverse contexts; (2) discuss how critical knowledge creation processes are formed in public administrations, and what affects these processes—effectiveness in explaining the phenomena—using these case studies; and (3) to present the implications of this research on practices for public sector organizations derived from knowledge-based management theory. In Chap. 1, the basic concepts and frameworks of knowledge-based management theory are presented. These are: the SECI model, the concept of *Ba*, the concept of middle up-down management, the structure and response of the dynamic fractal organization, and *phronesis* (wise leadership). Chapters 2–9 present case studies of innovative public administrations, starting from the municipal level, and progressing through regional and national levels of administration. The chapters are divided into four parts, and the title, name of leading author and brief introduction of each case study are as follows:

PART I: KNOWLEDGE CREATION IN MUNICIPAL ADMINISTRATIONS

Chapter 2: Belmonte and Quezon City (Philippines)

Eduardo T. Gonzalez, Professor of Center for Integrative Development Studies, and Zita Concepcion Calugay, Assistant Professor, National College of Public Administration and Governance, University of the Philippines.

- This case study is about the redevelopment of a city in the metropolitan urban core of the Philippines. Feliciano Belmonte, Jr., the mayor of Quezon City, redeveloped the largest city in Metro Manila from an economic laggard to one of the country's wealthiest and most well-managed cities during his time as Mayor.

Chapter 3: Toward Surabaya Cyber City: From GRMS to E-Sapawarga (2004-2014) (Indonesia)

Agus Pramusinto, Professor and Chairman, Department of Public Policy and Management, and Erwan Agus Purwanto, Dean, Faculty of Social and Political Sciences, University of Gadjah Mada.

- This case study is about the redevelopment of a city outside the Metropolitan Core. Ir. Tri Rismaharini MT, known as Ibu Risma, the Mayor of Surabaya City, changed the internal working patterns of this city's bureaucracy. Thanks to her, a city once only notorious for its extremely hot weather was transformed into a "Cyber City," today known for its green gardens where people can take walks and breathe fresh air untainted by pollution.

Chapter 4: Tono Style Community Development (Japan)

Takei Takeji, Former President of the Local Autonomy College.

- This case study is about the revival of an ailing city in the northeastern part of Japan. The city faced the challenges of a declining population and an aging society. However, Toshiaki Honda, the Mayor of Tono City, led the revival of the city by implementing new policies to increase the nonresident population through tourism, to create a comfortable environment for raising children, and to introduce safe and secure town management.

**PART II: KNOWLEDGE CREATION IN REGIONAL
ADMINISTRATIONS**

Chapter 5: The Institutionalizing of Innovations in Jembrana Regency under Regent I. Gede Winasa, 2000-2010 (Indonesia)

Sadu Wasistiono, Professor, Institute of National Governance.

- This case study is about administrative reform in Bali, Indonesia. Under the paradigm shift from centralized government controlled

by the national bureaucracy, and dominated by the military, to local government controlled by the people that occurred in the early 2000s, I. Gede Winasa, the head of Jembrana Regency, introduced a set of innovations with the aim of making local government more efficient, transparent, and accountable to the people.

Chapter 6: Thinking Big for the Common Good: A Case Study of the Household Block-Grant Initiative in Agriculture Management (Vietnam)

Tran Thi Thanh Thuy Deputy Director, and Nguyen Thi Thanh Tam, Senior Lecturer, Institute of Leadership and Public Policy, Ho Chi Minh National Academy of Politics.

- This case study is about the pioneering role played by local government as the “middle manager” in a country; one which ignited the process of a fundamental societal transformation in that country. In the 1960s, a province in Vietnam introduced agrarian reform based on the reality of local farming, which sharply contradicted the then current national policy, and cost the provincial leader his job. Nonetheless, twenty years later, that retracted policy was eventually reintroduced at the national level, when the government was forced to recognize the reality of the then catastrophic conditions in Vietnamese agriculture.

PART III: KNOWLEDGE CREATION IN NATIONAL ADMINISTRATIONS

Chapter 7: Co-Creating the Census Serbilis (Philippines)

Magdalena L. Mendoza, Senior Vice President, Maria Christina R. Valte, former Senior Project Officer, and Krichelle Alyce L. Ching, Technical Assistant to Senior Vice President, Development Academy of the Philippines.

- This case study is about the organizational transformation of a national government agency in the Philippines. One man's vision and leadership turned the National Statistics Office of the Philippines into arguably the most relevant government agency in the lives of all Filipinos.

Chapter 8: Dr. Sanguan Nitayarumphong and Public Health Care Reform (Thailand)

Supasawad Chardchawarn, Professor and Dean, Faculty of Political Science, Thammasat University.

- This case study is about policy reform in national public health care in Thailand. In the past, a large number of Thai people were without access to proper medical health care from the government. Sanguan Nitayarumphong, a medical doctor with experience working in rural hospitals, played a leading role in the change in the Thai public health care system brought about by implementing the "National Universal Coverage Act". Since the implementation of this Act, every Thai citizen has universal health coverage and extensive rights under the national public health care system.

Chapter 9: Redefining Reality—A Case Study of the Emerging Leadership of Truong Chinh (Vietnam)

Bui Phuong Dinh, Director, Institute of Leadership and Public Policy, Ho Chi Minh National Academy of Politics.

- This case study is about the major changes in the economic management and operation of Vietnam, known as Doi Moi (renovation). These covered the movement from a "centrally planned economy" to a "market economy with a socialist orientation." As Chairman of the State Council at that time, Truong Chinh paid great attention to economic development and to the protection of the country. This case study depicts the process of changes in the mindset of the leader, and documents the reasons for his decision to support Vietnam's Doi Moi direction.

PART IV: KNOWLEDGE BASED REFORM

In Chaps. 10–12, we apply the knowledge creation theoretical framework to the interpretation of on-going public sector reform initiatives. Leading experts in Indonesia and the Philippines examine how the new perspective has changed the course of reform in these two countries. This final set of studies focuses on the knowledge-based paradigm of societal and organizational development, in which the structural constraints that undermine the effectiveness of reform programs are clarified. These are:

Chapter 10: Knowledge-based Public Sector Reform: The Philippines Experience

Alex B. Brillantes Jr., former Commissioner, Commission on Higher Education, and Professor, National College of Public Administration and Governance, University of the Philippines, Lizan E. Perante-Calina, Lecturer, and Bootes Esden Lapos, National College of Public Administration and Governance, University of the Philippines.

Chapter 11: Leadership and Management Development: The Indonesia Experience

Eko Prasajo, Professor and Dean, Faculty of Administrative Science, and Defny Holidin, Lecturer, University of Indonesia.

Chapter 12: Knowledge-based Paradigm of Public Sector Reform in Asia

Masaei Matsunaga, Deputy Director General, Infrastructure and Peacebuilding Department, Japan International Cooperation Agency.

In Chap. 13, as the conclusion of the book, the study's general findings and implications for public policy management are discussed from the point of view of knowledge-based management theory. This book is one of the first to provide a thorough analysis of the innovations in public administration that have transformed organizations and/or reformed policy, and offers a new perspective on the inquiry into an alternative paradigm for policy innovation and administrative reforms. In addition, this book may be one of the first to analyze public administration from

the perspective of knowledge-based management theory. In addition to this, our effort is perhaps the first in the field of public management to explore the impact of indigenous factors in the process of policy innovation and administrative reform, and the leadership required to facilitate this process, that has a clear grounding in knowledge-based management theory. This book may also be a rare case of a comparative study by a group of leading academics and practitioners who have spearheaded reform initiatives in four Southeast Asian countries and Japan.

This book is intended for readers interested in, studying, or exercising public administration and public policy, as it sheds light on a theory that is new to these areas. Specifically, we hope the book will find its way into the hands of students and academics in programs of public administration and public policy management, as well as those government officials and community leaders concerned about reform initiatives. It is our hope that this book will be read by those whose challenge it is to change ineffective and uncreative public management. Although the context is public administration and policy making in specific ASEAN countries and Japan, knowledge-based management theory is applicable to any part of the world.

While this book is an outcome of diversity and its synthesis; it is also an output of collaboration and co-creation among academics and practitioners from five countries. We spent over 2 years on the project, holding intensive workshops, dialogue and discussions, which would not have been possible without the support of the representatives from Indonesia, the Philippines, Thailand, and Vietnam, and the kind support we received from the staff members of JICA, the JICA Research Institute, GRIPS, and Hitotsubashi ICS. Our special appreciation goes to the contributors to this book, as mentioned, and to the following members of this project:

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Had it not been for their leadership, this book couldn't have materialized.

Finally, we hope this book will be a first but important step towards co-creating values for society through collaboration in the private and public sectors. In this way, we will co-create and innovate by unleashing our knowledge potential.

Tokyo, Japan

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