

Disciplinary Construction and Changing Demand for Talents: The Development Trajectory of the Public Finance in the USA and Japan

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Abstract

This paper analyzed the development trajectory of fiscal discipline in the USA and Japan respectively and compared the change of demand for finance specialty talents in the two countries. It was found that discipline development and demand for talents in the field of public finance showed convergence and consistency between the two countries. Based on the above, there are some proposals about disciplinary construction of the Public Finance as follows: first, public issues should be discussed from the individual perspective; second, the empirical analysis methods and public management methods should be the focuses of learning; third, finance classes should focus on the study of publicity and public logic as well.

Key words: Public finance; Disciplinary construction; Talent demand

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INTRODUCTION

The quality improvement instead of the extensive quantity growth has been the key task of higher education in China. How to establish quality standards for personnel training has become the priority among all the projects. Du Yubo, the Vice Minister of National Education

Ministry, put forward that the basic standard of talent training was to promote the all-round development of people and met the real need of the society. It is well known that higher education plays a leading role in the social development, so disciplinary construction should not only meet the current needs of society, but also maintain certain distance from the real world. Therefore, how to grasp the practical need of society and the future trend has been a hot issue. This paper tried to analyze the social demand characteristics and development path of public finance specialty in the United States and Japan and tried to get implications on talent training standard on public finance specialty in China.

1. DEVELOPMENT TRAJECTORY OF PUBLIC FINANCIAL DISCIPLINE AND CHANGES OF DEMAND FOR TALENTS IN THE USA

Finance is a kind of social science that takes the public sector as the object of research and focuses on analyzing the economic behavior made by the government. The development path of the subject always starts from recognizing the public sectors and the government and adapts to changes of talent demand in the society in different historical periods and different countries. America is the frontier of modern finance, the study of which shows that it is highly consistent between the development path of fiscal discipline and changes of talent demand in the society in the last hundred years.

As everyone knows, Americans highly advocate the market mechanism, they hold the basic concept of individualism, emphasize the protection of private property and individual freedom. However, the world economic crisis broke out in 1929 to 1933, since then the entire Western society moved from laissez-faire classical economic theory and policy beliefs to seek

government interference against market failure. In the 1930s and the 1940s, Roosevelt's policy practice of the New Deal and Keynes' theoretical revolution aroused American attention to governmental fiscal function, but the Americans didn't change their respect for individualism and individual interests and they still were highly suspicious of the government. In theory, the effect of government spending and government revenues on the individual studied; and in practice, concrete policies were studied to clarify the legitimacy of government participation. Therefore, in the 1940s and 1950s, there were some famous scholars, such as Samuelson, Musgrave, focused on the research of government function based on the personal demand for public products, and also appeared a large number of practitioners of public policy and public management. Between the WW II and the Korean War, the federal government established the Hoover Committee on Hoover, America former president, as the chairman. The establishment of this think tank was to strengthen the functions of government and tried to seek legitimacy and reasonable boundaries for government economic activities by doing various researches by professionals. Many state governments established similar consultancy mechanism, and promoted the establishment of civil societies, including large and small think-tanks, consultancies, which triggered the increased demand of talents in the field of finance.

In essence, fiscal activities are the government's economic activities. In 1960s and 1970s, the public finance research focused on the public choice theory which discussed government's behaviors from the perspective of individual and individual interests. It reflects the rethinking of big government phenomenon caused by the Keynesianism and welfare fiscal policy, as well as the social need to explore the more effective way of allocating resources. At that time, the public choice theory broke through the established hypotheses of the government in the study of economics, politics and finance, and in practice request of government reform also appeared. People hoped to improve cost effectiveness analysis by using the optimized quantitative analysis technique to justify the government behavior, which led to the demand of talent capable of doing various microscopic quantitative analyses. At the same time, because public choice theory provided basic theory for the empirical analysis on the political process of public decision-making, the quantitative analyses on the public decision behavior also increased, which further led to the integration of knowledge in the fields of psychology, sociology, administration and other aspects into public finance and public management.

On the other hand, in 1960s and 1970s, the American people can not bear the heavy tax burden caused by the expansion of public sectors in the process of constructing

welfare state. As a result, personal responsibility led to the opinion that the public was the mechanical combination of the individual. Obviously, although public choice theory explained the causes of inefficient government well, the countermeasures biased. Too much emphasis on individual independence resulted in alienation and ignorance of interaction among individuals. As Rousseau pointed out that the collection of individual's preference was extremely different from the public interests and conversion between the two required communications among individuals. In other words, the interaction between the individuals and the connected network of independent individuals would maximize the social welfare. After 1990s, in the western countries including the United States, there were a plenty of research works focusing on communities undertaking social network function and local autonomous governments. Accordingly, community and local government related jobs, including financial management, public organization and public organization's budget management also arose at the historic moment.

The above changes of talent demand in the United States are an inevitable manifestation of the matured American market economy and democratic politics. In general, the demand for financial talents in the USA includes two aspects: on the one hand, they need to study the academic theories about universal rules of the market economy and democratic politics; on the other hand, they need to search on the government structure closely related, problem oriented and highly applicable policies and countermeasures.

2. DEVELOPMENT TRAJECTORY OF PUBLIC FINANCIAL DISCIPLINE AND CHANGES OF DEMAND FOR TALENTS IN THE JAPAN

Japan has a longer history of finance, since ancient times the finance was thought to be related to "Treasury". From the Meiji Era, finance was regarded as a field of social science and the knowledge taking monetary payments of national and public groups as the object. According to the research route of the Japanese scholars, Japanese finance was affected by German finance, Marx finance and Anglo American finance. Among them, the German cameralism had deep influence on the Japanese finance in the early time. Therefore, till 1970s, Japanese were used to study the financial problems from institution point of view. Following the introduction and absorption of modern western economics, Japanese scholars began to study finance further from the angle of economics. In general, after 1980s, Japanese researches and teaching of finance has been basically made from three different perspectives as follows.

2.1 The Perspective of Law

This is the most ancient academic fields of finance research by Japanese, mainly influenced by the German finance. However, the current study of finance made by Japanese scholars from the view of law is very rich. At least there are two aspects. One is to study the implementation of law from the established upper law point of view, namely to develop the specific financial system by interpreting the Constitution and improving the fiscal law; the second is to study the relationship between public law and private financial phenomenon from the legal perspective, namely to study the legal applicability of government functions reflected by the financial phenomenon. The former has a long history, bases on vast research achievements and always has a significant impact on the system construction in Japan. In Japan, the public finance has often studied by specific implementing methods from the public law point of view, such as the special case public debt law, accounting law and so on. Although according to the Japanese Constitution, any budget related law must be recognized by the Congress before being set up and implemented, the government who is the subject of fiscal activities are free from judicial restraint on the relation with the nationals because of the lack of fiscal behavior as private research object,. Thus, in recent years many fiscal law scholars began to study it to further promote government behaviors subject to national and democratic society. The latter studies the legitimacy of government behaviors from the legal science point of view.

Obviously, the two different research points of view reflect the cross of social science research subject and mutual penetration. The financial research of the government fiscal activities from the traditional law perspective focuses on the criterion of government fiscal activities based on an established government. It is the top-down regulation of the relationship between the government and the citizens, but it doesn't treat the government itself as a national peer and studies the interaction between the government and nationals. In recent years, some researchers began to propose to research on financial behavior by applying private law, which, in nature, has been influenced by economic research paradigm.

2.2 The Perspective of Political Economics

This school is related to the financial researches from the law point of view. In this school, the scholars are not only influenced by the German cameralism, but also accept basic views of Marxist economics and emphasize the importance of the financial institution. That is to say, they admit that the finance is the linking point between government and the economy, the idea of which is similar to the public law point of view. They emphasize the social integration function of finance and believe the rulers are more inclined to focus on the existing political

and social stability rather than the effective allocation of resources. From this perspective, the history of the system and the integration function of a system on the society tend to be the main content of the study. Among the research results achieved in this school, there exists a lot of assortment, induction, analysis and judgment of the financial history. In addition, the social integration function is more easily reflected in the local region, so the scholars who focus their research on local study often belong to this school.

2.3 The Perspective of Modern Economics

In the 1950s, Japanese scholars introduced the new classical economics into Japanese finance research, which laid the groundwork of theories and empirical studies of finance in Japan. Since then, Japanese scholars began to translate and learn the related academic papers published by the European and American scholars and constantly increased their original paper published in Europe and the American magazines. Therefore, the paradigm that studies finance by means of modern economics gradually gained recognition and even became the mainstream in Japan. The research method actually reflects the value orientation of researchers. After the end of the WW II, Japan was taken over by the United States, which led to great changes in the political, economic and social aspects. Especially, the core values of individualism and market economic system provided excellent research objectives for this group of researchers.

Compared with that of the United States, Japan's financial system is obviously characteristic of the centralization, which leads to different demand for financial professionals. First, although Japan is a democratic country, its public policies have long been controlled by bureaucrats. The central agencies need excellent talents mastering professional knowledge and being good at making decisions, and local government agencies need operational staff of fiscal policies that are familiar with the related law, as well as love their jobs. Secondly, by the top-down public policy mode, in which bureaucratic elites play a major role, people participate in public policy and public affairs to a low degree. Correspondingly, the public decision-making needs to follow the principles of the law strictly to maintain its credibility. Therefore, in theory, the researches focus on institutional legitimacy. In practice, the researches focus on the specification of execution. Under this political and social environment, talent demand focuses on professional talents' theoretical analysis and legal familiarity, and ignores their subjective initiative.

However, the demand for and cultivation of financial talents had a great change in Japan after the 1990s. After the rapid social development in the 1960s and 1970s, fiscal expenditure increased greatly because of the economic recession and the aging population, which resulted in a heavy debt burden of the country.

From the beginning of the 1990s, in order to shorten fiscal expenditure, the central government began to weaken due to the shrinking transfer payment to the local governments. Furthermore, influenced by the international trend of decentralization, Japan experienced a very strong trend of decentralization. Changes in the economy, politics and society prompted Japan to carry out government reforms, core of which was how to improve the efficiency of public expenditure. The reforms aimed to cut off the public expenditure in order to reduce the government cost of operation and national burden, promote decentralization in order to provide public services more effectively, and active private sector to provide or produce public service.

In the above context, demand for the quality of the civil servant changed gradually. Especially, it required that the local civil servants should grasp the local law well, put forward policy filing, planning bottom-up with pioneering spirit and provide public products and public services for the grass-roots residents. According, the research and teaching content of the financial specialty changed greatly.

First of all, it emerged multi-disciplinary trend of integration. As the researches on the budgeting issues in the field of public finance and science of law began to learn from and refer to each other, in the curriculum design, the school of economics set foundation courses on the science of law while the school of law set basic subjects about the economics. In many universities law school and economic school jointly set up the school of public policy, namely MPA in China. In addition to the integration of law and economics, the public expenditure involved broadly, such as the environment, health and education. Therefore, many universities also, based on their own original characteristics, set up the graduate school of public policy. For example, the Hokkaido University set up the school of public policy based on her traditional advantageous school of agriculture and environmental protection. Second, the financial courses and researches began to focus on management elements. Secondly, began to pay attention to management elements of the financial courses and research. Because of the emphasis on decentralization and dynamic role of grass-root government, civil servants need to have management ability. The courses, such as government accounting and public management began to be included in the public finance related specialties. Finally, it added methods of empirical analysis to the research and teaching content, such as social investigation method, quantitative analysis method and so on. In the big data era, how to use the data information more effectively to understand the individual needs and satisfy them has become the new subject for the Japanese public sector. Therefore, the colleges and universities have stepped on their research and teaching in this area.

3. IMPLICATIONS ON DISCIPLINARY CONSTRUCTION OF THE PUBLIC FINANCE IN CHINA

3.1 Study the Public Issues From the Individual Perspective

Public is not opposite in private. In contrast, it is a realistic space and can be used as an analytical concept. At all times and in all countries, individuals cannot exist out of society. Therefore, if the relation between the individuals is defined as “public”, the finance research should focus on observing the large and small, all kinds of the public phenomenon, exploring the mechanism of its formation and the influence of the design of the system on finance. Therefore, the research and teaching of fiscal issues are inseparable from public management, which is one of the reasons for what fiscal management was taken as an important part of public management in the USA.

3.2 Master the Public Decision Making and Public Management Methods

At present, establishing a service oriented government to the people is not just a slogan, but a specific requirement of performance evaluation at all levels of government. The government should serve the public well, know and grasp the needs of the people, and be measured by evaluating the people’s satisfaction. How to use empirical methods to explore the public will and market demand has become the important content of the research and teaching of social science. The emphasis here is not on the use of the existing methods such as data analysis techniques and econometric analysis tools, curriculum design of financial specialty should include the survey program design, the sample, selection, data collection and processing analysis, the establishment of a set of scientific research methods to conduct empirical research in the field of public finances, and cultivation of applied talents with all these professional skills.

3.3 Understand and Use the Public Logic

In the modern market economy, public policy must be publicly logic. Finance issue can not simply be solved by using rational tools. In addition, the talents from finance specialty should understand and use public logic to deal with finance related issues, such as negotiating with various social forces, gaming or reaching a consensus effectively.

CONCLUSION

In summary, because of the different characteristics of financial system in the United States and Japan, their talent demand in the financial specialty varied. However, in the recent years there is a tendency for convergence. The

main reason is that since 1990s, Japan efforts to transform market the mechanism from government control to be real free led to changes in personnel requirements. Based on the comparison of characteristics of financial system and talent demand between the two countries, it implied as follows. First, in the in financial courses public issues should be discussed from the individual perspective. Second, the empirical analysis method should be added to make the students master the collection, analysis and use of individual information for doing public decision making and master public management methods and skills. Third, finance classes should focus on the study of publicity and public logic as well.

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