

Perspectives for Public Management

Prof. AGATA Kôichirô, Waseda University

It is becoming increasingly difficult today to manage national and international issues only with government measures; we now require the engagement of private and civic sectors. I define here as “public management” the solving of social problems and contributing toward the sustainable development of society and international stability with various measures in collaboration among the three social sectors.

In the exchange of goods/services against payments these three sectors have different fundamental principles. In a market economy goods/services and their costs are roughly in alignment at the time of payment with the transaction’s conclusion. It is an exchange of equivalents. For goods/services of the government and civic sector, it is at the time of their

reception not equivalent between the benefits and costs for the recipient. Examples of these are primary and secondary education at public schools or the activities of “Médecins sans Frontières”. Here the State charges taxes and public levies while in the civic sector the provision of capital takes place as a voluntary action, e.g. in the form of donations. Accordingly, we refer to the State’s main action principle as a mandatory non-equivalent exchange, the civic sector as a facultative non-equivalent exchange.

We try to solve contemporary social problems by combining the different exchange relations. A good example of this interaction between State and Market economies is subsidizing environmentally-friendly cars that was introduced in Japan for the first time from April 2009

to September 2010. By applying for a government grant, a private owner of a conventional vehicle would be paid up to 250,000 Yen when he/she traded in his/her vehicle for an environmentally-friendly car with fewer emissions. The individual also only paid a reduced new motor vehicle registration tax. The state supported the abolition of conventional vehicles and the purchase of environmentally-friendly cars. The state budget for this measure was approximately 580 billion Yen. In the subsidy period, the share of green vehicles on the total monthly car sales increased from 2-3% to 10-15% (data from the Ministry of the Environment), i.e., environmentally-friendly cars became more popular. This subsidy system was used once again from December 2011 to September 2012, but with a smaller budget of 270



The Prime Minister of Japan, ABE Shinzô, at the seminar “Germany-Japan: Strong Location for Small and Medium-sized Enterprises” at the Haus der Deutschen Wirtschaft in Berlin on 30 April 2014. Left BDI-Vice President Matthias WISSMANN, at right the German Parliamentary State Secretary of the Federal Ministry for Economics and Technology Uwe BECKMEYER, Nicola LEIBINGER-KAMMÜLLER (CEO Trumpf Ltd.+ Co. and member of the JDZB Foundation Council), and the Ambassador of Japan to Germany NAKANE Takeshi.

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billion Yen and a lower maximum grant. Direct subsidization of private goods, for example in cars, is quite rare in Japan.

One form of interaction between the State and civic sector is tax deductions for donations to the civic sector, i.e., to NPOs and NGOs. If a recognized NPO receives a donation in accordance with the systems introduced in Japan 2011, 2,000 Yen will be deducted from the total donations and reimbursed directly to the balance of 40% as a national tax deduction and 10% as a local tax deduction. (Special Donations Deduction: maximum of two million Yen for individuals). According to estimates from the Ministry of Finance, the number of recognized NPO entities to apply this scheme increased from about 400 at the end of 2010 fiscal year to 1,800 at the end of the 2011 fiscal year; the total State and local taxes incurred as a result in fiscal year 2011 totalled 230 million Yen. On the other hand, we expect these bodies generated an additional value of 18.5 billion Yen. That is, the government boosts the activities of NPOs through revenue shortfalls. It is very difficult to capture the exact value for society; however by examining as case studies individual NPO activities we can get quite a realistic picture.

The interaction of market and civic sectors is reflected in the Corporate Social Responsibility (CSR). Even companies, whose main principle is to generate profit, contribute to environmental protection, education or the arts. Here, predominantly special tax deductions for donations are used to enhance the benefits of the company NPO activities in the relevant areas. Companies donate a portion of their profit to non-profit organizations, which in turn contribute to the greater society in the field of their choice. Unfortunately I do not have any macroeconomic data for CSR, but there is now research on individual CSR effects (e.g., the CSR Compass).

In which areas do State, market and civic sectors work together? A good example is the development of CSR. If companies use the special tax donation deduction, the State takes this reduction and promotes the activities of NPOs. For example, a certain detergent manufacturer provides support to a NPO which is active in forest conservation and environmental education. The fact that the State through a tax deduction provides assistance to this manufacturer's NPO helps to indirectly promote environmental protection.

I have outlined here the concept of public management on the basis of the interaction of the three sectors using Japan as an example. Germany is probably one of the countries in which the interaction of the three sectors of CSR works best. The reason is that the system and status of non-profit organizations are well developed. Thus, registered associations (eingetragene Vereine) with at least seven registered members are legally recognized as a charity, which benefit from favorable tax treatments and guarantee international non-profit status. The standing and activities of the six major non-profit welfare organizations (Caritas, Diakonia, Red Cross etc.) have a long tradition and impressive activities. The theory and practice of not-for-profit appear to be more advanced in Germany and more integrated into everyday life than in Japan. Perhaps that's why the concept of public management is hardly noticed in Germany. Maybe there could be new initiatives and greater progress in Germany if Public Management awareness would be raised in the current interaction of the three sectors and the circumstances were seen in a new light? I think it is highly useful for Japan to study the interaction of the three sectors in Germany and learn from them.

(Dr. AGATA is Professor at the Faculty of Political Science and Economics at Waseda University in Tōkyō and a member of the JDZB Foundation Council)

Dear Readers!

At the beginning of his European trip Japanese Prime Minister ABE visited Germany, where he met on April 30 with Chancellor MERKEL for high-level inter-governmental talks in which they discussed security policy, regional situations, economic and social issues and intellectual and personal exchanges. On the same day ABE greeted the participants of the seminar "Strong Location for SMEs", which highlighted the importance of developing small and medium-sized enterprises as a basis for the economies of both countries and was co-organized by the JDZB, the German Federal Ministry of Economics, the Federation of German Industries and the Embassy of Japan.

Some articles in this edition deal with intellectual and personal exchange programs, whose importance was confirmed by the two leaders in their high-level discussions. The collaboration between the three areas of government, markets and civil society is of increasing significance to Prof. AGATA (Waseda University) for the future leadership of society. Prof. Dr. BAUM, Director of the Japan Department of the Max Planck Institute for Comparative and International Private Law, describes the role of the "Independent Directors" in corporate governance structures and emphasizes the importance of exchange with Asian countries.

In March, the JDZB carried out in collaboration with the Robert Bosch Foundation a visiting program for ten Japanese journalists. The journalists were able to learn more about current political, economic and social issues in the EU and in Germany, and to conduct interviews. I hope that this intellectual and personal exchange between Japan and Germany will continue to expand, and thus lead to a deeper mutual understanding.

On June 21, the JDZB will hosts its annual Open House Day where we will present our work, activities and Japanese culture. We look forward to welcoming you all.

SAKATO Masaru

Deputy Secretary General of the JDZB

jdzb echo

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On 17-19 July 2014 the JDZB is co-organizing with the Max Planck Institute for Comparative and International Private Law (MPI, Hamburg) and the German-Japanese Association of Jurists (DJJV, Hamburg) a symposium on “Independent Directors in Japan and Other Major Asian Jurisdictions” at the JDZB. The following is an interview with Prof. Dr. Harald BAUM, Senior Research Fellow and Director of the Japan Department of the MPI and Vice President of the German-Japanese Association of Jurists.

What goals are you pursuing with this symposium?

The organizers have set different goals in the implementation of this symposium. In addition to me, my colleagues KOZUKA Sōichirō from Gakushūin University in Tōkyō, Luke NOTTAGE from the University of Sydney and Dan PUCHNIAK from the National University of Singapore are actively involved in the design and execution of the conference. Firstly, we hope that the symposium – and the subsequent publication of the conference proceedings – will make a substantial contribution to the international debate on good corporate governance. The topic “independent directors” is a central aspect of this discussion in which the “Asian” perspective, in our view, has received too little attention. Secondly, the symposium shall make a legal and political contribution to comparative law with Asia in general and Japan in particular, by engaging proactively in the comparative law dialogue with and within the dynamic Asian region, and bringing together legal scholars from leading legal systems in Berlin.

Ensuring independent control of management is regarded in Europe and the U.S. as a key component of good corporate governance, and it is vital to defending the interests of shareholders in public companies. What are the benefits of monitoring by external members of advisory or administrative councils?

The general opinion in Europe and the U.S. is that monitoring by externals is superior to what companies used to do more commonly in the past, i.e., monitoring of companies by allied internals. Today the focus is on the idea that independent monitors are usually free of conflicts of interest by management and controlling shareholders, and, thus,

are better suited to preventing and neutralizing potential difficulties (“agency problems”) that may occur in public limited companies between corporate governance and its shareholders as well as, where appropriate, between majority shareholders and minority shareholders. What started out as “good governance” is in many places now mandatory law.

This was hardly useful in the financial crisis – obviously the external risks and problems were not predicted, or at least not prevented – an example of rather poor corporate governance?

The severe turmoil caused by the financial crisis and the obvious failings in corporate governance, even where independent Board of Directors or Supervisory Board members were involved in the monitoring process, have indeed recently raised doubts about the efficiency of externals in the management tiers of companies and the benefits of this concept, at least in its current form. The discussions, in which direction adjustments should be made, has only just begun. In this situation, a legal comparison with Asia is worthwhile.

Why is a legal comparison with Asia worthwhile? Which countries are included, and are there any priorities?

In several successful Asian national economies the strategy of external monitoring and the underlying model of the “shareholder value” has been critically regarded since time immemorial. For example, Japan, in its current company law reform for the years 2013/14, has after extended discussions spoken out against a mandatory scheme to appoint a Board of Directors with a minimum number of independent members, because the concept of external control is regarded as difficult to reconcile with the local, traditional and insider-based management



model. In our analyses of countries, we selected the seven most economically important Asian legal systems. This selection is further complemented by Australia as another leading “Pacific” nation. A major focus is on development in Japan. This country has long been one of the world’s leading economic powers and was one of the first countries in Asia to adapt western law comprehensively and extraordinarily successfully. Current Japanese law is the perfect example of a modern functional mixed legal system.

What is the impetus to improve mutual understanding that you’re expecting from this event?

It is well known that German law has long been a guiding star for important legal systems in East Asia. Today this is limited and only in individual fields. Meanwhile, the U.S. legal system holds far greater attraction. If we Europeans want to participate in the comparative law dialogue with this dynamic region in the future, we need to actively include our experiences with European Community law in the discussions. Conversely, the experiences made in Asia for various reasons, as I said, are still not yet sufficiently embedded in the local legal reform discussions. Moreover, it’s especially important to promote greater interest in comparative law in the subsequent generations of lawyers. To this end, the organizers have invited outstanding young academics and specialists to the symposium.

In collaboration with the Robert Bosch Foundation and Waseda University (Tôkyô) from 16 to 22 March 2014, the JDZB held the “German Program for Japanese Journalists 2014” with the theme “Germany and Europe Today”. The ten participating Japanese journalists took advantage of the visit to Germany to visit relevant studies and research. The following is a report by SAKURAYAMA Takashi (News Agency Kyodo News).

We were given a very warm welcome after we landed on the evening of March 16 at Berlin-Tegel airport by Andrea TISCHER (Robert Bosch Foundation) and Tatjana WONNEBERG (JDZB). They briefed us on our itinerary in the bus ride to the hotel and explained the situation about the new Berlin airport, whose opening has faced repeated delays.

In the evening we watched a German talk show, so we welcomed the opening day shamefully sleepy. Reymer KLÜVER (Süddeutsche Zeitung) spoke on the topic “Germany after the Election – Changes in Policy after the Formation of the Grand Coalition”; his captivating talk quickly blew away our tiredness. Dr. Weronika PRIESMEYER-TKOCZ (European Academy Berlin) then spoke on the structure of the EU, the euro crisis and the soon to be held European elections. She also explained how this election will be conducted against a framework of completely different electoral systems of the participating countries.

In the afternoon we spoke with officials from the Confederation of German Employers’ Associations and representatives from its departments for Labor, the European Union and International Social Policy. We then took a bus through Kreuzberg and Neukölln, to better understand the situation of migrant workers. All the buildings were covered with graffiti; which made me feel strangely insecure. At the end of an eventful day we met for dinner with media representatives who had participated in the “Japan Program for German Journalists”. We received tips about research topics and were able to deepen our friendly relations, making the evening a valuable experience for all.

On the second day we visited the Deutsche Bahn (German Railways). Doreen SCHULZE’s explanation of the enterprise bargaining agreement greatly interested us and how the company is responding to the declining birth rate and aging society. We then visited an ICE train depot, where we were even able to inspect the drivers’ cabin. It was very impressive to see how often work functions are repeated to prevent accidents from happening. For those of us journalists

familiar with this area it was a treasure trove of information, and highly regrettable for those who deplored their own knowledge gaps. We then flew to Brussels. The bus to the hotel became a “victim” of a long traffic jam, caused by a slow moving garbage truck, which considerably delayed our arrival. In Brussels, we were able to experience a European atmosphere, which differed from that of well-ordered Germany.

The next morning Christian EGENHOFER (Centre for European Policy Studies) gave an in-depth overview of the German nuclear phase-out and the energy turnaround. They also discussed the relationship between the EU and national energy policy in individual countries, as well as the situation in the Ukraine and Europe’s energy supply. Of current interest is the contention between the European Commission and Germany, where major consumers of electricity are given subsidies as part of the renewable energy program’s expansion.

In the afternoon we met Matthias LAUBER (RWE) and the European Member of Parliament of the German Social Democratic Party (SPD), Jo LEINEN. In the evening we discovered with the help of Mai RAPSCH (JDZB) that the bus we needed to catch to the airport was waiting at a location different to the one agreed - the situation was saved, and the group was able to safely return to Berlin. I still can hear Ms RAPSCH’s hurrying steps as they echoed the streets of Brussels ...

The fourth and fifth day were set aside for my individual research on the German decision to phase out nuclear power after the severe accident in a nuclear power plant in Fukushima I, the Tokyo Electric Power Company (TEPCO). In addition, Rolf HEMPELMANN, former Member of Parliament and an expert on energy policy, gave me an overview of the leaders of the Federal Environment Ministry, the German Farmers’ Association, the Federal Network Agency and the Federal Association of Energy and Water Resources – whose members are energy providers.

I learned in great detail about the impressive plans for expanding and maintaining a power network of over 5,000 km in length for the switch from nuclear power to renewable energy; I learned of protests by the population who feared a deterioration of the landscape and damage to health by the power cables; and got an idea of the challenges that the electricity industry is facing. It is regrettable that the space here in this article is too limited to go into further detail.

Lastly, I would like to thank the representatives of the Robert Bosch Foundation and the JDZB for organizing and carrying out the Germany program for Japanese journalists.

In the age of the Internet you can watch German television programs at home in Japan or read articles, but you still get a completely different impression if you have a research partner working with you and directly giving you information face-to-face. I very much hope that this program will continue to offer representatives from the Japanese and German media opportunities to provide more informed reports about the other country.





Opening of the exhibition "PHYSIS – Berlin 2014" at the JDZB on 10 April 2014. The 19 artists involved in this exhibition were also participants in the international project PHYSIS, which was held last year in Veria (Greece). This exhibition seeks to contrast the themes of natural and urban environments and was on display at the JDZB until 30 May 2014.



Lecture "Psychoanalytical Perspectives of Japanese Ukiyoe – Mother-Child-Relations Today and in the Past" of the psychoanalyst and musician Prof. KITAYAMA Osamu, on 28 April 2014 at the JDZB.



Team-building games at the national Boys' Day on 27 March, in which the JDZB participated last year as well. Twelve boys were given a tour of the various departments of the JDZB (language services, secretariat, finance, project management, library, etc.) and how they work together. The boys were given the chance to help organize a conference and participate in other activities.



IDETA Ria playing the marimba and the pianist Özgür AYDIN at the 126th Dahlem Musical Soiree held on 21 March 2014. Together with the flutist YASUKO IMANAGA-FUCHS and the violinist MACHIDA Kotowa they played pieces by Maurice RAVEL, ABE Keiko, Claude DEBUSSY, Philippe GAUBERT, HIRAO Kishio, Eric SAMMUT and Astor PIAZZOLLA.

! NEW CALLIGRAPHY COURSE !

The JDZB offers Japanese language courses and this coming fall it will also offer a calligraphy course. Previous knowledge is not required; even those who have never studied Japanese can participate.

The course will start on 3 September 2014 and take place Wednesday evenings from 6 pm to 7.30 pm. Participants will receive individual instruction allowing each student to decide which evening course they would like to attend and not have to turn up each week.

One course costs 10 Euro, and a pack of 10 courses costs 90 Euro (70 Euro for concession card holders). A free sample hour is also available.

For further information, please see: www.jdzb.de/Japanischkurse/Kurse



CONFERENCES BY FOCAL AREAS

GLOBAL RESPONSIBILITY

Conference: Germany – Japan – Afghanistan
C: Konrad Adenauer Foundation, Berlin, Institute for International Policy Studies (IIPS), Tôkyô
Date: September 2014, in Tôkyô

Workshop: Mega Earthquakes and Tsunami in Subduction Zones: Forecasting Possibilities and Implications for Risk Assessment
C: National Observatory Athens; International Union of Geodesy and Geophysics, Potsdam; International Natural Hazards Society, London; European Geosciences Union, Munich
6–8 October 2014, in Rhodes (Greece)

DEMOGRAPHICS

Workshop: Cultural Policy for Medium-sized Cities in Demographic Change
C: Kôbe University; Institute for Cultural Infrastructure Saxony, Görlitz; FU Berlin; Japan Foundation, Tôkyô
4–7 September 2014, in Berlin and Görlitz

PROGRESS THROUGH KNOWLEDGE

Denkwerk (think tank) 2 “Japan in the 21st Century – Society in a State of Flux?”
C: FU Berlin; Robert Bosch Foundation, Stuttgart
24 June 2014

Symposium: Health Prevention for Children
C: Chiba University; Charité, Berlin
1 December 2014

GOVERNMENT, CORPORATIONS, CIVIL SOCIETY

Conference: Independent Directors in Japan and other Major Asian Jurisdictions
C: Max Planck Institute for Comparative and International Private Law, Hamburg; German-Japanese Association of Jurists, Hamburg
17–19 July 2014

Symposium: Smart and Social Cities
C: Senate Department for Urban Development, Berlin
30 September 2014

Symposium: Entrepreneurship
Date: September 2014, in Tôkyô

VSJF Annual Meeting: Trust
C: German Association for Social Science Research on Japan (VSJF)
21–24 November 2014

Panel Discussion: Roboethics
C: University of Tsukuba
Date: To be confirmed

DIALOG OF CULTURES

European Policy Seminar
C: European Academy Otzenhausen; Center for German and European Studies at the University of Tôkyô Komaba (DESK)
15 September 2014

Conference: Scaling the Nation State – Religion, Language and Ethnicity in Contemporary Japan and Germany
C: Marburg University; Dokkyo Univ., Tôkyô
10–11 Oktober 2014

Conference: Design in Japan and Germany
C: German Embassy, Tôkyô
Date: October 2014, in Tôkyô

SPECIAL PROJECT

23rd German-Japanese Forum
C: Federal Foreign Office, Berlin; Ministry of Foreign Affairs of Japan, Tôkyô
4–5 November 2014

CULTURAL EVENTS

DAHLEM MUSICAL SOIREE
(Registration for each event will open closer to the date)

“The Power of Voice” Jôri Speech Songs from Japanese Bunraku Theater
27 Juni 2014, 7.30 pm

Edo Music
12 September 2014, 7.30 pm

Portrait Concert with Iroh Seyko
mid-October 2014, 7.30 pm

Concert: Ensemble for Old Music
20 Mai 2014, 7.30 pm
(At the opening of the exhibition SHIKATA/SEITZ)

EXHIBITION

Music Images by AMADA Mitsuhiro
Opening: 10 June 2014, 7 pm
On display from 11 June to 15 August 2014

Dual Exhibition of HATA Yoko GUP-py & Harriet GROSS: GUP-py + Tall “ge schicht en (stories)”
Opening: 11 September 2014, 7 pm
On display from 12 Sept. to 30 October 2014

Paintings and Sculptures: SHIKATA Nanako (painter, sculptor) and Stefan SEITZ (sculptor)
Opening: 12 November 2014, 6.30 pm, with concert (Ensemble for Old Music)
On display from 13 Nov. 2014 to Jan. 2015

LECTURE

HIRAMATSU Reiji: “Homage à Monet” Japonism and Nihonga
C: Embassy of Japan in German, Berlin; The Japan Foundation, Tôkyô
12 June 2014, 6.30 pm

OTHERS

JDZB Open House on 21 June from 2 pm

!NEW: CALLIGRAPHY COURSE!

**Courses Start on
3 September 2014 at 6 pm!
No Registration Required!
(see page 6)**

EXCHANGE PROGRAMS

- Junior Experts Exchange Program
- German-Japanese Young Leaders Forum
- Youth Group Leaders Exchange Program
- Study Program for Youth Work Specialists
- Exchange Program for Young Employees

For details of the programs, please refer to “<http://www.jdzb.de> --> Exchange Programs”

Opening hours of exhibitions:
Monday to Thursday 10 am to 5 pm, Friday
10 am to 3.30 pm.

C: = in cooperation with
Venue: JDZB, if not stated otherwise.

For **more information** please refer to:
<http://www.jdzb.de> --> Activities

For **information on JDZB language courses** please refer to:
<http://www.jdzb.de> --> Japanese Courses



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PROGRAM (No entrance fee, subject to change)

2 pm until approx. 9.30 pm: Japanese Food and Refreshments
2 pm: Information about the JDZB

2 pm–6.30 pm:
 Bonseki (Miniature Stone Garden on Tablet)
 Ikebana (Flower Arranging) with exhibition
 Japanese Language Courses
 Manga and Japanese Books (Book Store Yamashina)
 Shūji (Calligraphy)
 “Humming Dialog” Interactive Sound Installation

Japanese Folding and Wrapping Art
 2 pm + 2.30 pm + 3 pm Origami (Paper Folding)
 4 pm + 4.30 pm + 5 pm Furoshiki (Wrapping Cloth)

2.30 pm–6 pm Shiatsu (Acupressure)

3 pm–4 pm: Panel Discussion “Energy Policies in Germany and Japan”

3 pm + 4 pm: Reading for Children in the Library

2.30 pm–5.30 pm: Infos on German-Japanese Youth Exchange
 with Lectures, Photos and Videos

3 pm + 3.45 pm + 4.30 pm + 5.15 pm
 Manga drawing with Inga (20 persons per workshop)

4.30 pm–6.30 pm: Lectures on Japan-related topics (topics on website www.jdzb.de)

7 pm: Concert „Blendrums“ (Japanese Drum and Drums)
 with Leonardo ETO (former member of KODO, Taiko) and BUDGIE (Drums)
 (no intermission, until approx. 8.15 pm)



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