

Symbiosis of Government and Market

The private, the public and
bureaucracy

Edited by Sadao Tamura and
Minoru Tokita

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Symbiosis of Government and Market

In this volume, a group of international scholars address issues relating to community well-being and the role of politics, law and economics in Europe and Japan in achieving human-centred symbiotic governance. Case studies and suggestions for reform are presented in the arenas of economy, government administration, management, health, agriculture, the environment and urban planning.

Drawing upon the theory of holism, a philosophy that sees the universe, and especially living nature, in terms of interacting wholes that are more than the mere sum of elementary particles, the contributors discuss various types of government and governing bodies including:

- university and higher education governance;
- the implementation of community well-being (e.g. the effects of mass violence);
- role responses to public-sphere issues (partnerships, private enterprises and government administration);
- the symbiotic aspects of governance.

This book will prove a useful tool to those in business research institutes, members of administrative research institutes, NGOs and non-profit organizations, while also providing students of business, Asian studies, politics and law with an insight into possible areas of reform.

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Preface

Developing a new paradigm from the Waseda Campus in Japan

In the twentieth century, the development of the principles of modern science and technology led to the flowering of material enlightenment. Human beings were broken down into details, only to be analysed and dealt with as objects. We know this has brought about the advancement of material enlightenment and a critical situation in the existence of human beings. At the beginning of the twenty-first century, these realities are beginning to be taken seriously on a global level. In many research fields, there is a demand for a new theory with human beings at its centre and based on observation of human beings as a whole, to be implemented in such a way that it will include modern scientific methods as well. This idea is called holism (a way of thinking based on a theory of the whole). We can find this in the philosophy of symbiosis, which has been practised and accumulated for years in the Community Well-being Development in the Oita region of Japan. We think of symbiosis as ‘taking opposite or different things and fusing them, integrating them, and having them reside together, emphasizing their respective benefits’. The topic of this book, arising from the symposium on the symbiosis of government and market, is based on the philosophy of symbiosis, a theory which has been developed and implemented with human beings at its centre, based on observation of human beings as a whole. This philosophy of symbiosis allows for the fusion of the principles of modern science and holism. Looking at symbiosis as a social system also makes possible the fusion of the economic ideologies of capitalism and socialism, resolving religious, cultural, ethnic, racial and north–south conflicts, as well as bridging the gap between generations.

Originating in the observations based on the multi-channel medical system in the Oita region of southern Japan, the philosophy of symbiosis was developed through practical testing and logical positivism. This tradition has its roots in Dr. Hajime Sugita’s philosophy of the value of positive health. Whereas ‘horizontal symbiosis’ refers to individuals, families, companies, administrations and non-profit organizations, ‘vertical symbiosis’ refers to individuals, families, regions, nations and the earth. To balance these two levels of symbiosis, those who are creating a system are required

to be patient (i.e. behave in a self-controlled manner) and practise sympathy (i.e. take other people's wishes into account). Such a balance could be promoted through the education and study of a concept of health focusing on the idea of death. The horizontal and vertical symbioses could help both governments and markets to succeed, and contribute to the emergence of a society characterized by role multiplication.

Besides practices carried out in the Oita region, another foundation of proof sustaining the philosophy of symbiosis can be recognized in the concept of a 'global university' held by the dedicated Waseda alumni under the guidance of its president, Professor Dr. Takayasu Okushima, inspired by the philosophy of the venerable Shigenobu Okuma. The sponsorship of this symposium by the Waseda Symbiosis Research Group can be seen as an expression of this support. Based on the results of this symposium, the research group will strengthen academic foundations for innovation in the fields of political and economic studies at Waseda and plans to organize a second symposium.

With the new millennium in view, academic research on combining reductionism and holism is becoming a worldwide trend. By organizing the Bonn Symposium (17/18 December 1999), the Waseda Symbiosis Research Group is delighted to play a leading role in offering advice concerning this worldwide trend. We believe that it will be one of the blessings of the new millennium.

We offer grateful thanks to Waseda University for their contribution of a Waseda University Academic Publications Subsidy.

Sadao Tamura

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Sadao Tamura

Part I

**Interdisciplinary research
into community well-being
and university governance**

1 University governance

Takayasu Okushima

In economic circles around the world, the term ‘corporate governance’ meaning ‘a system to check or monitor the soundness of managing a corporation’ is being used with ever-increasing frequency. Perhaps this is because it is thought that improving the innate characteristics of management in every corporation will pull us out of economic recession. As a scholar of corporate governance and chief executive officer of a private university, I am also concerned with ‘university governance’. The idea of university governance is slightly different from the idea of corporate governance, in the sense that it emphasizes the quality of university education and research activities rather than management itself. If we fail to realize this, the future for Japanese universities is bleak indeed. When I consider Japanese universities in the twenty-first century, I cannot help but conclude that ‘university governance’ will become vital to university management.

Universities in Japan are currently facing a turning point in their development. Before and during the Second World War, militaristic Japan committed grave criminal acts, harming both people in the Asia-Pacific area as well as its own people. Post-war Japan, reflecting on its past conduct, began to seek the road to economic success, but again found itself inevitably on rocky ground because it pursued only its own interests. The Japanese government now gropes for the foundation of a state on the basis of science and technology education. In circumstances of economic confusion, Japan is left with just its human resources, as it is a country with scarce natural resources. With a declining birth rate and an ageing society, Japan has no other choice but education to rely on as the foundation of the state.

This being the case, the necessity of reform in universities is brought into stark relief. As many people concerned have pointed out, the reality of education and research in Japanese universities today is that they remain unchanged since the Meiji period. It would not be going too far to say that, in the name of university autonomy and academic freedom, university teachers were given excessive freedom. The result is the current inexcusable situation in which educators are indifferent to their students, and scholars are indifferent to evaluation by their peers. Japanese universities

4 *Takayasu Okushima*

would be hard pushed to withstand any evaluation by present global standards; it is an extremely serious situation.

As a scholar of commercial law I have been engaged in the study of corporate governance for about 10 years, and am currently president of the Corporate Governance Forum, a learned society formed several years ago. This society is an interdisciplinary society in which universities, industry and government work together on research. The purpose of the society is to establish a system to check and monitor the soundness of corporate management.

As a result of this work, I have begun to advocate the necessity of ‘university governance’. As the chief executive officer of a private university, I felt keenly the importance of establishing a system which checks and monitors university management. When I use the term university governance, I mean not only university management, but also governance of the content of university education and research. The following are my tentative conclusions about Waseda University, Tokyo, where I serve as president.

Education governance

Japanese university professors today have a tendency to rate research activity so important that they give little thought to instruction in the classroom. Recently these attitudes have begun to change. However, there are still a large number academics who take advantage of the fact that there is almost no evaluation of their instruction by students. It has become apparent that in a society with a declining birth rate, the future for Japanese universities is bleak as the supply of students will dry up. The Ministry of Education has taken the lead in addressing the problem of quality assessment. Japanese universities are now required to conduct at least a ‘self-check, self-evaluation system’. The distribution of government grants to private universities is said to be decided by how each university puts this minimal duty plan into effect. The University Establishment Council, which is a deliberative assembly for accreditation, has enforced a ‘mutual evaluation system’ among universities as a transitional measure.

In reality there is almost no open opposition to this self-check and self-evaluation system, or the mutual evaluation system, but when it comes to executing the system, many universities, including Waseda, seem reluctant to do so. It is a truism that without students there could be no classes, but many academics do not appear to consider this a serious matter. Newspapers and magazines have begun to publish so-called ‘university ranking reports’. There is a growing gap in the consciousness of the evaluation of university education on and off campus.

It appears that the arbitrariness of academics has allowed them to take advantage of university autonomy and academic freedom. However, when we talk about their arbitrariness, we must consider the background into the picture and realize that it was born of a reaction against the militarism

in Japan before and during the Second World War when university education was relentlessly controlled. Certainly, we can fully understand how important it was for them to realize an idea of what university autonomy and academic freedom ought to be when the content of lectures was so severely censored. But this is not sufficient excuse for negligence in education. On the contrary, we must acknowledge that the *raison d'être* of a university is that it is first and foremost an organ of higher education. A university cannot be a university if it does not offer higher education to all of its students; academics at least should recognize this. This being the case, there should be no objection to academics disclosing the content of their lectures to a third party. Certainly this is a prerequisite of what I call education governance.

So, what is education governance at Waseda University? As globalization advances, each university has to preserve its own identity and manifest its own characteristics. Private universities in particular are required to express and demonstrate the ideals of their foundation through education. As for the ideal behind the foundation of Waseda University, it was summarized in 1913 as being for the purpose of education and research, first to encourage creative study which critiques existing theory, second, to make practical use of theory for people in the world, and third, to nurture students to be people of fine character. I wonder if education at Waseda University is carrying out its founding ideal today.

Education governance should aim at nurturing an upright person whom Waseda University wishes to send out into the world. As globalization in university education advances, if each university preserves its own identity, it may be possible for each university to survive. Thus we are faced with a problem. Waseda has to preserve its unique educational identity in order to find a way to live together with people in the Asia-Pacific area in both education and research activities.

Research governance

From the classical standpoint of university autonomy and academic freedom, research governance has been taboo. Research governance implies intervention or interference in the substance of research. If the result of someone's research is public, it eventually becomes the common property of all mankind, which means it should aim at disclosure (though of course this sits above the level of intellectual property). When an academic applies for a research grant from outside institutions, for example from the Ministry of Education, the substance of their research has to be evaluated by a third party. However, there may well be no evaluation of the subject at all by a third party when an academic attempts to obtain a research grant from the university they belong to.

In principle, intervention or interference in the content of research should not be allowed; but we cannot be so tolerant of the freedom not to

conduct research, even when we acknowledge academic freedom. An academic is an instructor as well as a researcher. In terms of instruction, the students are the evaluators; in terms of research, his or her colleagues are usually supposed to be the evaluators. But however assiduously an academic may study something, if he or she does not at least occasionally write and publish books and papers which can be objectively reviewed, he or she must surely be labelled as unproductive (though of course there may be rare exceptions).

From the standpoint of research governance, the first step is for academics to read papers at academic meetings. The second step is for them to be checked by a screening committee when obtaining grants. When we give a grant-in-aid at Waseda University, it is often determined according to the researcher's past record and his or her research plan. But what is very important from the point of view of research governance is that each research plan should be evaluated not solely by the researcher's record, but by the potential of the research plan to result in a publication. In that sense a researcher has an obligation to read a completed paper or publish it to be objectively reviewed by a specialist in the same field or by a third party. Even if the position of professor may signal the ability to carry out research, being a professor does not always mean an academic is qualified as a researcher. If such is the case, we must devise a more general checking system for research governance.

The foregoing may be a self-evident truth in university society, but it seems to me that there is a gap between this self-evident truth and natural society in Japan. In a country like Japan where there are so many professorial positions and so little mutual criticism, mutual evaluation or mutual stimulation of research itself, it is a grave problem we have to overcome, and as such the academic climate of Japan is a very important issue from the point of view of research governance.

I glossed over the fact that academic freedom made cooperative research between university, industry and government impossible, but this is nothing but a mere excuse. The truth is, they had neither the true ability nor self-confidence among themselves to do so, even though they may have wished to be cooperative in their scholarly activities. I do not mean that a Japanese university has to display an ability to lead the industrial world, but it cannot exist without any real relation to society. It is said that any research which lacks seriousness about real society is generally self-indulgent, something of a fantasy which exerts a baneful influence on society. Research governance, therefore, is a kind of morality which expects research to be something essential for the people and for the world. Morality comes first in education, and morality is essential in research. It seems to me that what is required of university professors in Japan is a strong moral consciousness. They will be trapped in a dilemma if they lack both moral consciousness in their research activities and morality in their education. It may safely be said, I believe, that the future of Japanese universities

depends on their reaction to research governance. Without doubt, it will be the most difficult problem we have to overcome in carrying out university reform, and specifically in finding ways to deal with the problems of promotion, pay and tenure of teaching staff.

Conclusion

University governance in Japan has been discussed primarily in relation to university management expansion. It has been linked with tuition fees and with the student movement; the latter has demanded transparency of management and informative disclosure of university finances because private universities bear the responsibility for educating about 80 per cent of those in higher education. About 20 years ago, when transparency of management was rare, students who strongly desired informative disclosure of university finances advocated the raising of academics' pay and the reduction of students' tuition fees; this was contradictory, but was at least justified if we take the social conditions of the day into consideration. But now many private universities display transparency of management, so university governance should focus on education and research.

Today a global standard is required not only of corporations, but universities. And the global standard demanded of a university is nothing but the improved quality of education and research. In this sense, Japanese universities are facing a great turning point. At Waseda University, we have begun to undertake reformation from within by establishing Waseda's identity, taking on board that now is the time when raising the quality of education for 50,000 students and the quality of research conducted by 4,000 teaching staff is seriously required. It is not an easy task, but it is a barrier Waseda University must break through to survive in the twenty-first century.

2 Governance and finance in higher education

Making German universities more autonomous

Klaus Borchard

The German higher education system, home to approximately 2 million students, produces 200,000 graduates and attracts 220,000 new students each year. The universities are also the foundation of the German research system and receive 17 per cent of the total research and development spending in Germany. The higher education system is largely publicly funded: 98 per cent of its costs are covered by the Federal States (DM 24 billion per year) and the Federal Government (DM 2.5 billion per year plus approximately DM 4.5 billion for public student grants, scholarships and DFG (Deutsche Forschungsgemeinschaft; German Research Foundation) grants). Private funding makes up only 2 per cent. The funding of buildings and equipment is also a 'joint task' of Federal and State Government. A constant shortage of funds since 1987 has led to an immense redevelopment backup (e.g. DM 760 million at the University of Bonn for buildings alone). While there was a 35 per cent rise in enrolment figures between 1977 and 1993, there is no correspondence in the number of academic staff which rose by only 10 per cent, thus leading to a widening gap between student and academic staff numbers. The funding of university research is based on a dual system, with 'basic funding' covered by the Federal States and external funding in addition, which nevertheless mainly derives from state-financed funding institutions (DFG). Only a minor part of external funding derives from German industry for example. Over the last few years problems have developed due to a shift in the relationship between 'basic' and supplementary funding from a ratio of 2:1 to 1:2, resulting in the predominance of research at non-university institutes. The inadequate funding situation of the higher education system is reflected by the way students finance their studies: while 75 per cent of all students are financially supported by their parents and 65 per cent are employed at least part-time, only 12.5 per cent receive grants.

Based on this overview of the higher education system in Germany and the description of its problems, I outline an agenda for the future: in order to preserve and improve standards at German universities the Government should make up the deficit of roughly DM 6 billion, extend institutional autonomy to the universities, confine itself to general control and reform the public service law in higher education. By the same token, the universi-

ties should increase their efficiency by means of a higher degree of competition between the different universities. They should also intensify the evaluation of employment of appropriations, as well as of the performance of academic staff. In addition, an individually defined university profile, new forms of funding for buildings and equipment and more private sponsorship are necessary. In this context I also discuss the conditions of a possible student contribution to the costs of higher education.

Background

Education and teaching

At present, the system of higher education in Germany produces close to 200,000 graduates per year (see Figure 2.1). The number of graduates has doubled over the past 20 years and these graduates still have comparatively good prospects in the German labour market. Educational qualifications still seem to be the best insurance against unemployment and – considering the rising number of first-year students year on year (see Figures 2.2 and 2.3) – young people appear to be aware of this fact.

Various studies predict that by the beginning of the new century, 50 per cent of young people from each age group will pursue studies at institutions of higher education (see Figure 2.2).

Research

Apart from their function as the most important providers of academic training and higher education for the next generation of academics, the universities remain the foundation on which the German research system is based. Research in higher education institutions – with a total volume of DM 13.7 billion – accounts for 17 per cent of research and development spending in Germany. One of the great advantages of university research, compared to research at non-university institutions, is that only universities present the unique opportunity for interdisciplinary work. Being surrounded by colleagues from the whole spectrum of academic life guarantees a stimulating and open-minded work atmosphere. Another important factor is the freedom and independence which is warranted by public funding, but not at privately funded institutions with close links to industry. Thus, it is still the institutions of higher education which train the entire new generation of scientists and academics.

Funding of the higher education system

The higher education system in Germany relies primarily on public funding. Private funding from external sources and the partial funding of private universities by different funding bodies make up less than 2 per

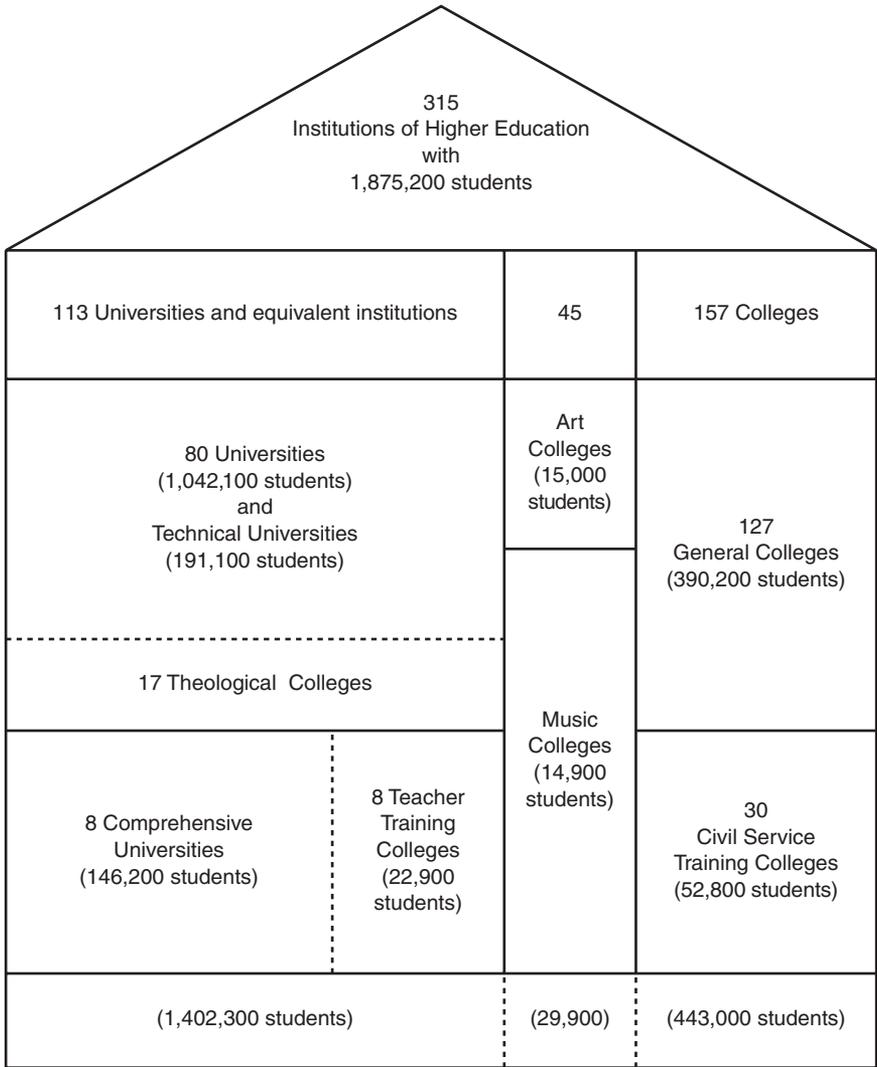
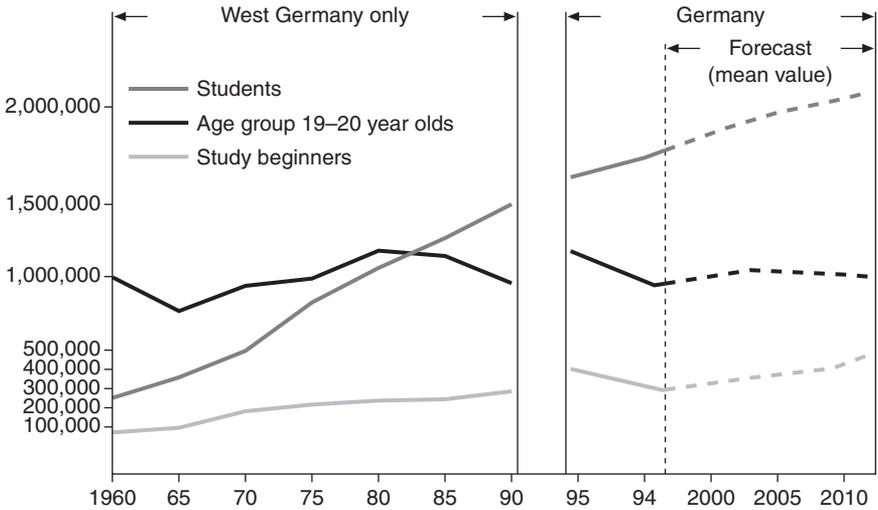


Figure 2.1 Types of higher education institutions (1993)

cent. The German Federal States – or *Länder*, as I will call them in order to avoid any confusion – each claim cultural sovereignty, and consequently they make the largest contribution to the funding of the higher education system. They spend about DM 24 billion per year funding research and education, including medical clinics. The Federal Government on its side, makes available each year about DM 2.5 billion. In addition, both the



The chart shows the strong fluctuations in the respective age groups and the progressive increase in the number of those entitled to study and of students. The number of those entitled to study will continue to increase over the coming 15 years, not least because eastern Germany will continue to catch up.

Figure 2.2 Growth in student numbers

Länder and the Federal Government spend approximately DM 2 billion on scholarships for undergraduate and postgraduate students of exceptional qualification, as well as DM 2.5 billion on grants which the DFG awards for research projects. Added to the half a billion marks of private funding made available to the universities each year, a net total of about DM 31.5 billion is spent on the higher education system each year (see Figure 2.4).

Funding of buildings and equipment

The funding of buildings and equipment at institutions of higher education is defined by law as a so-called 'joint task' of the Federal Government and the Federal States: they are both held to be contributing in equal measure to ensure the regionally balanced development of the institutions and the maintenance of equal educational opportunities in each of the German *Länder*. Unfortunately, this joint task has been suffering from a constant shortage of funds since 1987, with serious consequences for the universities. In particular, the universities have to deal with an enormous redevelopment backup, which, at the University of Bonn alone, amounts to approximately DM 760 million desperately needed for renovating old buildings and providing new space. In the last budget (fiscal year 1998) the

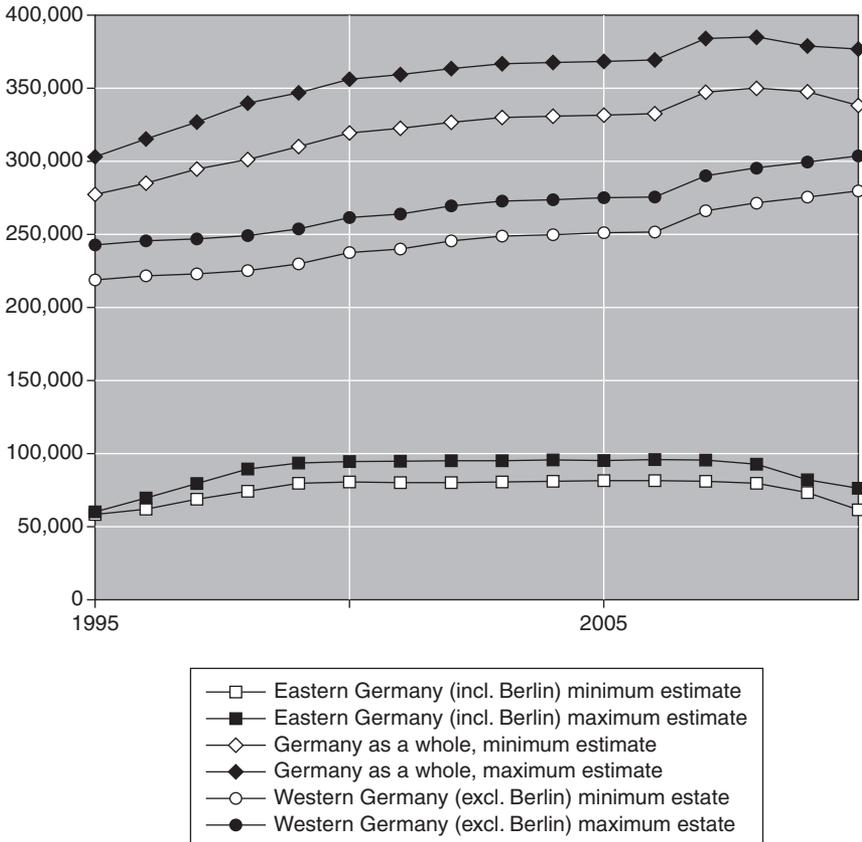


Figure 2.3 Forecast of number of new students up to the year 2010

University of Bonn was granted DM 15 million for this task – which gives an idea of the rate at which this backup will continue to grow.

Apart from the buildings another huge problem (and one with perhaps even more serious consequences) is that owing to the lack of investment opportunities, some equipment is by no means up to current standards. This in turn means that academic staff cannot conduct competitive research, nor can they guarantee the adequate instruction of their students. This indeed is one of the key reasons for the diminishing attractiveness of German higher education institutions, especially for foreign students and scientists. Considering the role computer technology and new media will play in the coming century, and the relentless pace at which these technologies renew themselves, the damage that can be done in these fields alone by not being up-to-date is inestimable.

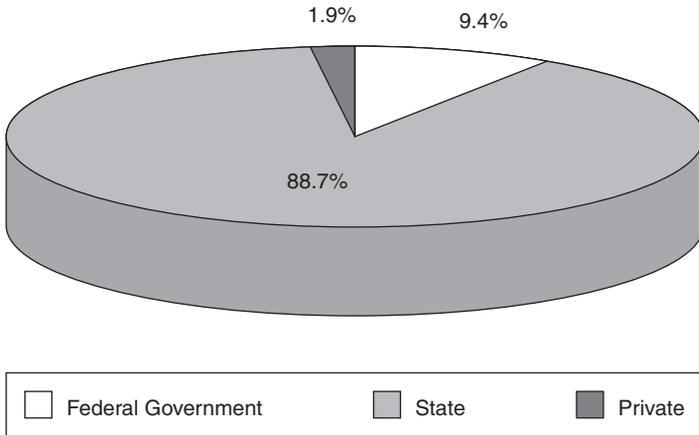


Figure 2.4 Higher education funding in 1993 broken down according to source

Staffing and student/teacher ratios

While enrolment figures have risen by almost 35 per cent since 1977, during the same period the increase in the number of academic staff hired has only been 10 per cent. This has inevitably led to a ratio of students to academic staff which is among the worst in Europe. Considering demographic factors there is no end in sight. The situation is extremely problematic in North-Rhine-Westphalia, where we have a ratio of 28 students to one professor (Figure 2.5).

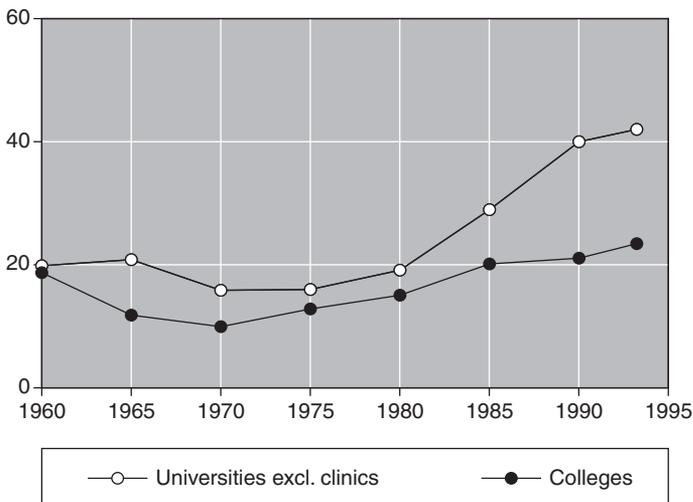


Figure 2.5 Number of students per academic staff member

As if this was not reason enough for serious concern, the North-Rhine-Westphalia government has just forced all universities in the State to join a so-called ‘Pact for Quality’, under which 2,000 more jobs in the scientific/academic sector will be cut over the next 10 years instead of being newly created. For the University of Bonn this means that almost 160 positions will be ‘withdrawn’, as it is called. Besides contributing to a further decline in the ratio of students to academic staff, this will actually jeopardize the existence of some of the smaller subjects, especially in the Faculty of Arts.

Research funding

Dual funding system

Research at academic institutions is funded by two complementary financing instruments. *Basic funding* for staff, premises, equipment and materials, which, along with research, serves teaching and training as well, is provided out of the budget of the federal states. Supplementary funds (so-called *third-party funds*) for individual scientists or large-scale research projects, on the other hand, must be applied for and predominantly come from other public budgets (see Figure 2.6).

The third-party funds include state-financed public funding institutions such as the DFG, federal and state ministries, foundations, funding societies, industry as well as other associations and international organizations. The fact that almost 80 per cent of these supplementary funds also come from public budgets is a strong indicator of the lack of private initiative in this sector (see Figure 2.7). Current efforts by the Federal Government to implement a reform of the rigid Foundation Law in Germany will hopefully give rise to a growing awareness of the importance of private involvement on behalf of our youth.

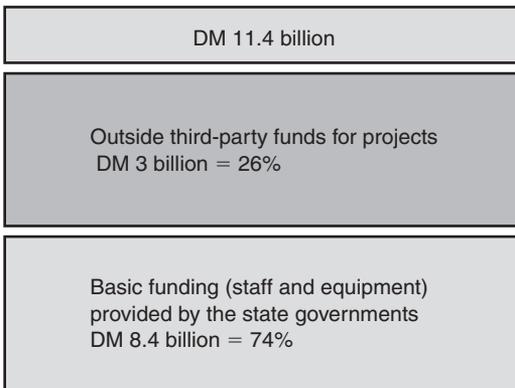


Figure 2.6 Total higher education research budget

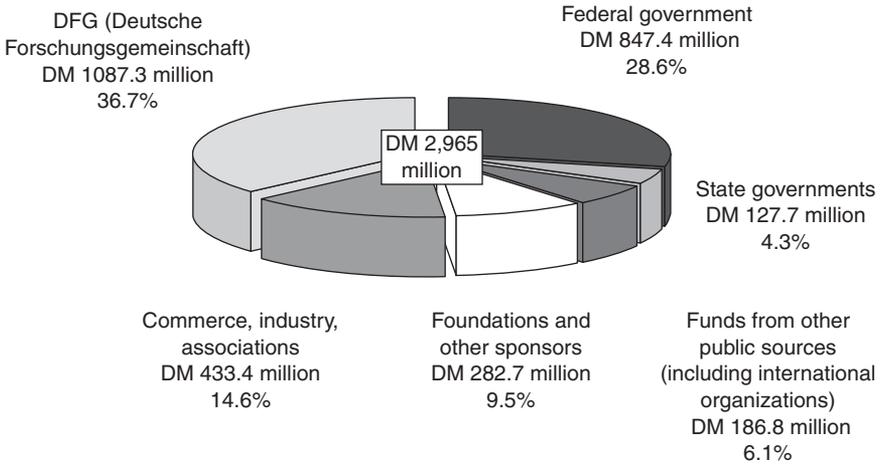


Figure 2.7 Third-party funds

Problems

While just 10 years ago two-thirds of the money spent by higher education institutions on research and development came from basic funding, and one-third was ensured through third-party funding, the proportion has been reversed to an almost 1:2 split in favour of supplementary funds today.

Despite the fact that universities were able to raise five times as much funding from external sources today than 20 years ago (Figure 2.8), they were not able to compensate for the effects of the shortage of basic funding. The deficits in basic funding have had an especially profound effect on the quality of the equipment used by the academic staff (especially scientists). This in turn has led to the balance of power between university research and research at non-university institutions shifting more and more in favour of non-university institutes. As they are able to offer optimal conditions these institutes are picking off the top 10 per cent of young academics, leaving the universities – and with them the future generation of academics in Germany – with the ‘leftovers’. This, of course, is in no way meant to imply any disrespect for those academics who, against common sense perhaps, choose to devote their time to the training of young students, even if the conditions are not very encouraging. But if we are unable to offer better conditions for young academics at the universities, research *and* education will both suffer immensely.

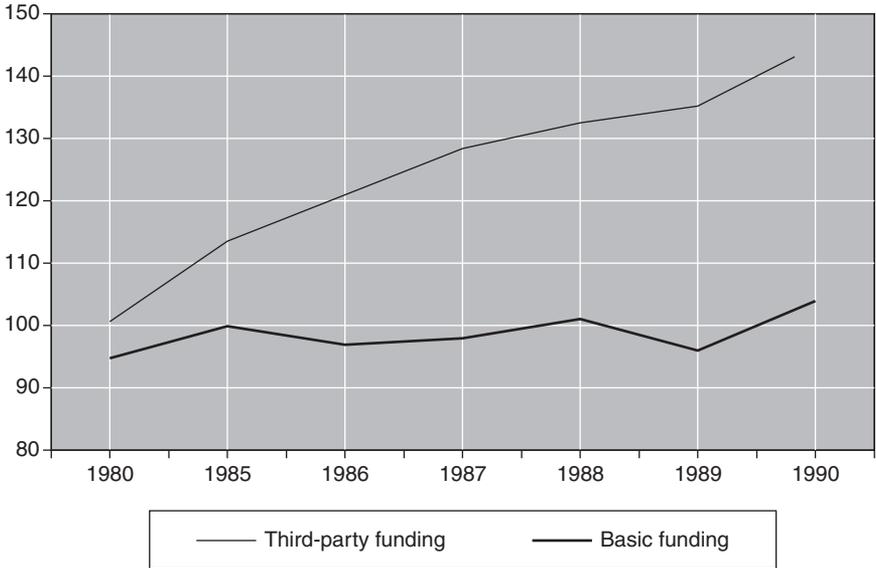


Figure 2.8 The development of basic funding and third-party funding in real terms (1988 = 100)

Student support

As we have seen so far, state funding of higher education institutions has been inadequate for years. Correspondingly the state support of individual students has also been on a constant decline. The majority of students in Germany receive their financial support from a variety of sources. According to studies, about three-quarters of all students receive financial support from their parents. Two-thirds of all students are employed at least on a part-time basis. A mere 12.5 per cent of students, 250,000 out of 2 million, receive grants of varying amounts on the basis of the Federal Training Assistance Act (BafÖG) (Figure 2.9). One additional way in which students receive some indirect support is by way of an income tax allowance for dependants up to the age of 27, to which, however, the parents and not the students themselves are entitled.

For individual students the basic flaw in the system of state financing is that the objective of the BafÖG, which was devised in the late 1960s, namely the realization of the ‘right of education for all’ and the mobilization of ‘educational reserves’, has receded further and further into the background. The funds which are made available to students have in no way been able to keep up with the politically desired expansion of the higher education system since the late 1970s. In spite of a constantly growing number of students, the amount being spent on student grants by

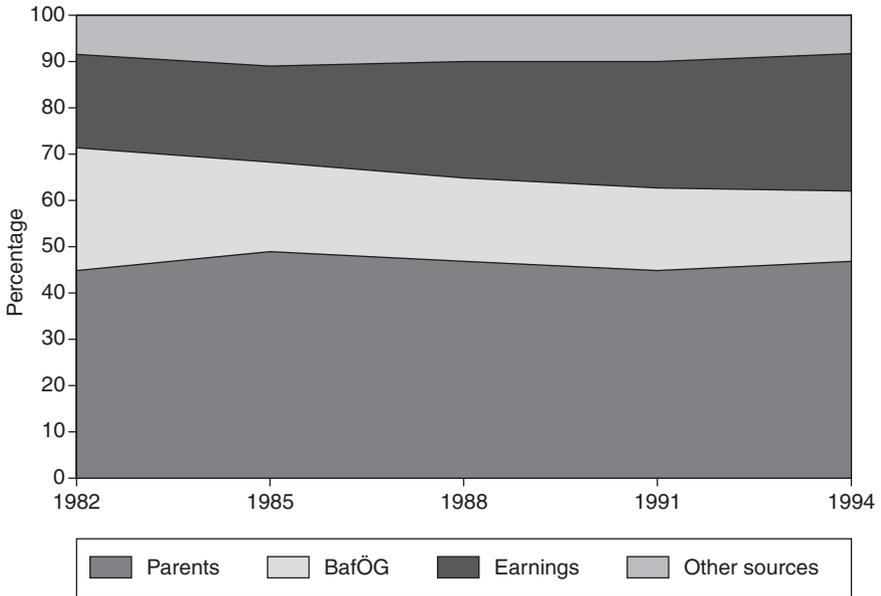


Figure 2.9 Percentage contribution of financial sources to total income of ordinary full-time students in western Germany

the Government and the Federal States has decreased by more than a third, even though the costs of living have risen.

Consequently, the number of students receiving support is shrinking (Figure 2.10), the scale of support is declining and the contribution of BafÖG grants to student support in general is also on its way down: today it amounts to an estimated 10 per cent of the whole package. As a result, there is increased employment among students with a noticeable effect on the duration of their studies.

An agenda for the future

Having given a brief summary of the current situation in the higher education system in Germany, let me try to point out some of the steps which need to be taken if we intend to preserve and expand the exceptional reputation which our leading universities still enjoy despite their financial shortcomings, into the next century.

What must the Government do?

There can be no doubt about the fact that the economic and social future of the country hinges on education and training as well as on research and

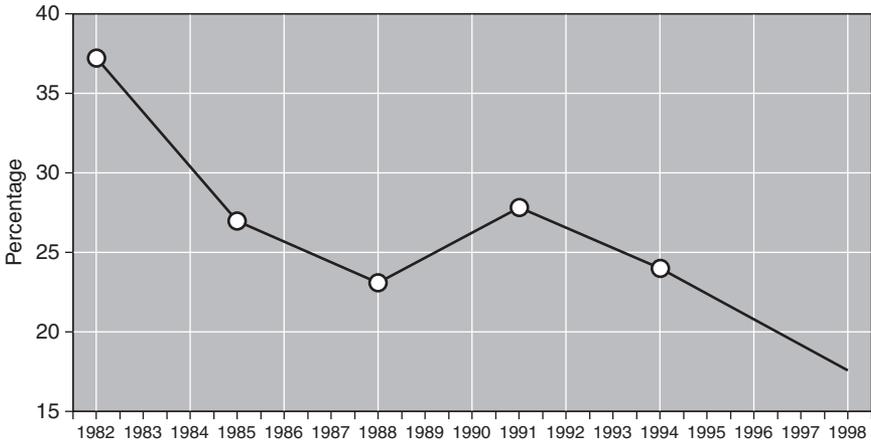


Figure 2.10 Percentage of students receiving BafÖG benefits in western Germany

development. Their intensity and quality will determine Germany's international competitiveness and thus the well-being of our society. Therefore, proper training for the students and an academically friendly environment for scientists are vital. In order to ensure this, the current financial deficit must be made up by the Federal Government and, most importantly, by the Federal States. According to cautious estimates the universities are in need of at least DM 6 billion per year, this being a sum the Federal Government and the *Länder* agreed upon some years ago, with DM 5 billion coming from the *Länder* and DM 1 billion from the State Government. Again, as this would barely cover the deficit as estimated in 1993, we are certainly looking at a much larger amount today. The financial policy of the Federal Government and of the *Länder* must finally begin to reflect the lip-service which politicians have paid to the importance of high-quality research and teaching.

Whatever the numbers involved, it is clear that academic research must be able to tackle the challenges posed by continuing technical progress and students must receive training that will enable them to compete in an increasingly globalized labour market.

These insights have long since prompted appropriate educational policy measures in comparable industrial nations such as Japan, where higher education is given clear priority in the allocation of public funds, reflected in an annual increase of 15 per cent.

Furthermore, it is of the utmost importance that the government confines itself to general control and works out the objectives for the development of higher education in close cooperation with the educational institutions. Universities must be granted institutional autonomy while the

state should ensure planning for a secure and stable environment. Institutions of higher education must not be forced to fight with other political domains for scarce public funds, only to find themselves under increasing pressure to justify their spending. A cost–benefit mentality is not applicable to universities and it is important for us to be given the freedom of a global, or at least a more flexible, budget. It is only then that we can concentrate on increasing efficiency not by budgetary measures, but through enhanced competition with other universities and a sharper profile of the respective institutions.

Another important aspect which has to be considered is the outdated Public Service Law in higher education. Salary and collective bargaining regulations need to be modified in order to meet the special needs of a competitive system of higher education. This would also include the establishment of attractive temporary professorships and part-time chairs, as well as the introduction of incentives and sanctions based on reliable standards for performance assessment. Compensation should consist of a basic salary and flexible allowances based on duties and performance. If such reforms cannot be implemented within the framework of general Public Service Law in the near future, the introduction of special regulations for the higher education and research sector should be seriously considered. This is currently one of the most controversial suggestions of the German Rectors' Conference, of which the author happens to be vice president.

Before we make the impression of asking a lot but offering nothing, let me make a couple of suggestions concerning the part the institutions of higher education themselves can play in this game.

What must the universities do?

As I mentioned before, an increase in efficiency on the part of the universities is definitely needed. The way to optimize the utilization of resources is to introduce elements of competition. Constant evaluation of the employment of appropriations should be seen as being just as vital as constant evaluation of the performance of teachers in the classroom. This means nothing less than basing the allocation of funds inside the institution on proven performance in teaching and research. This in turn will contribute to the crystallization of strong points inside the institutions, again emphasizing the need to achieve an individual profile.

Shaping an institutional profile, however, need not disrupt cooperation between different institutions, whether on a regional or even an international level. Quite the opposite is the case: efforts made to link the curricula of neighbouring institutions and the establishment of joint research centres are of the highest priority, especially for us at the University of Bonn. We are currently engaged in a number of efforts to this end with the universities in Aachen and Cologne, and plan to intensify and broaden

these measures, also with respect to the ongoing unification of Europe. Cooperation across national boundaries will certainly become more the rule than the exception in the near future.

Efficiency must also be increased immensely in the area of funding for buildings and equipment at universities. The complexity of the issue prevents me from going into further detail. However, at this point suffice it to say that, in keeping with the tenor of a resolution by the German Rectors' Conference (HRK) to this effect, it is high time to consider new models for funding building construction and equipment acquisitions at institutions of higher education. Discussion on this matter should concentrate on the possibilities of leasing and having the institutions themselves be the client for the construction, instead of the state.

One factor which deserves some attention when looking at the possibilities for the institutions of higher education institutions to contribute to reform is the study pattern of students at these institutions. It is quite obvious that we are witnessing a very unsatisfactory development in the study patterns of our students, characterized by duration of studies which is well above the European average, an increasing drop-out rate and a high percentage of students who change between fields during their studies.

Because the reasons for this development are manifold – such as, for instance, the overcrowding of institutions leading to poor study conditions, the material advantages of maintaining student status even if no degree is sought, or too few attractive alternatives to higher education in general – it is time for the institutions to devise ways of exerting influence on the study patterns of our students. One could begin with restructuring the admission stage, which currently, in the form of the German High School Diploma (the *Abitur*) is practically non-existent. As long as we have no control over who is granted access to our institutions, however, we cannot be held accountable for their conduct. This, again, is where politicians' contributions are required.

In order to gain any amount of financial independence it is important to utilize traditional funding as well as to find new ways of incorporating private-sector funding into the financing of higher education. As mentioned above, annual income from private-sector research funding currently adds up to only about half a billion marks at present, or a mere 2 per cent of the total amount, despite the fact that there are both traditions of raising private external funds for university research and numerous ways of incorporating such funds: incorporating private donations, drawing on private investment capital, marketing academic and other services or by charging students a share of the cost of their studies.

The largest obstacle which prevents universities from benefiting from private donations, however, is German tax regulations, and as long as there is insufficient incentive for private donations or the like, there will not be much hope for improvement.

The field of generating income by marketing services certainly offers a

number of possibilities. Academic services (such as ‘further education’ (*Weiterbildung*)) promise a relatively high level of income. Commissioned research represents another important monetary source. One must remember, however, that research contracts with industry usually cover only direct project costs and the basic funding must be secured from federal and state budgets.

When considering different ways of raising funds by selling services or performing commissioned research, however, one thing must be kept in mind. For all the potential autonomy which is gained by additional funds, we may have to pay an even higher price. That price is increased dependence either on short-term fluctuations in demand in the further education (*Weiterbildung*) sector, or on market-oriented research, something which is definitely not compatible with the goal of independent academic research.

What could the students do?

I address this topic in a slightly different way. This is because investigating possibilities for involving students in the financing of higher education in Germany touches a very delicate issue, especially at present. The discussion is very heated, to say the least, and positions are fixed on both sides of the argument. The basic question is whether it is acceptable – from a social and political point of view – to introduce tuition fees in order to stabilize the financial situation at institutions of higher education.

The benefits of higher education, mainly teaching and research, are assessed differently in macro-economic terms. While independent university research benefits society as a whole, and therefore is without any doubt a public good which should be funded by the government, teaching is a different matter. On the one hand, education is an important prerequisite for the functioning of a democratic state, enhancing the economic and social welfare of everyone, and is thus in the public interest. On the other hand, education creates benefits in terms of subsequent income and is thus to a certain extent a part of one’s private provision for the future; viewed as such, it no longer requires state support.

Though it is the political responsibility of the Federal Government and especially the Federal States to decide this issue, consensus does not seem likely in the near future. Without anticipating one or the other outcome, I would like to present the main argument not only from my perspective, but also from the perspective of the German Rectors’ Conference (HRK).

The aim of abolishing tuition fees in the late 1960s was to create equal opportunities for all. This social justice in the form of equal access remains absolutely essential today. If tuition fees are introduced at all, they must be combined with a socially equitable reform of state contributions to individual student funding. No one must be kept from studying for financial reasons; that is the tenor of the argument against tuition fees. A more

differentiated factor is the danger that the introduction of tuition fees will prompt the government to implement further cuts in their contributions.

In spite of a number of positive aspects to the introduction of fees, such as the possible positive influence on the study patterns or elements of competition between universities, we have come to the conclusion that, at least under the prevailing conditions, tuition fees are not a suitable remedy for the serious shortage of funding for higher education. The adverse effects on social justice and the danger of further cuts in public spending weigh too strongly.

Conclusion

It was my intention to make two basic points. First, higher education in Germany is dramatically underfinanced, especially in comparison to other highly industrialized countries. This has naturally led to a number of shortcomings which have significantly affected not only the situation of the students, but also the whole sector of academic research. Second, I have tried to present a possible remedy for these ill-effects, namely a concept for future development which is based on contributions by all those affected. The Federal and State Governments for their part must ensure the appropriate basic financing and grant the universities their institutional autonomy. Because this is the area in which there is most demand for action, let me again emphasize the most important points. The Federal Government, the Federal States and the universities ought to agree on performance goals in a structural plan, and a corresponding financing system based on demand and performance should be implemented. The government must restrict itself to legal supervision and replace the legislative budget with a global one.

The universities for their part must enhance the use of funds (which they could more easily do if they were 'left alone') and begin to draw more strongly on private resources outside the university. And finally, conditions must be made favourable to a possible participation of students in financing higher education. If all different parties work together, I am confident that we will be able to make the German system of higher education fit for the next millennium.

Part II

Concept of community well-being and its implementation

3 Traumatic outcomes

The mental health and psychosocial effects of mass violence

Richard Mollica

Introduction

The last quarter-century has revealed the unremitting violence generated by human beings against each other causing physical destruction and human suffering of extraordinary proportions.¹ Models of humanitarian emergency relief developed since the last world war have repeated patterns of material assistance which, although effective in the emergency phase, have been unproven in long-term situations such as in the Middle East and Asia.² International development agencies aimed at reconstructing societies devastated by mass violence now have the heroic task of creating some resemblance of normal economic behaviour in over sixty nations.³ The magnitude of social and physical destruction that exists today and the reality of an interdependent global community demands that new models emerge for the prevention of mass violence as well as for the recovery of nations affected by mass violence. While this chapter will not focus on the causes and prevention of man-made disasters, by providing new insights into the assessment of traumatic outcomes, it will indirectly contribute to a partial understanding of those forces in the post-violence phase that set the stage for future rounds of violence. The goal of this essay is to present a public health framework for evaluating and implementing policy aimed at the recovery of traumatized populations. Special attention will be given to the mental health and psychosocial effects of mass violence, as demonstrated by recent scientific evaluations that reveal the magnitude of personal and socio-economic damage until recently only described through anecdotal and biographical reports.

The problem of taxonomy

A remark by the late French philosopher M. Foucault succinctly demonstrates the changing role of classification systems in providing meaning for our everyday experience.

This passage quotes a 'certain Chinese encyclopedia' in which it is written that 'animals are divided into: (a) belong to the emperor, (b) embalmed, (c) tame, (d) suckling pigs, (e) sirens, (f) fabulous,...

(j) innumerable, (k) drawn with a very fine camelhair brush, (l) et cetera, (m) having just broken the water pitcher, (n) that from a long way off look life flies.’ In the wonderment of this taxonomy, the thing we apprehend in one great leap, the thing that, by means of the fable, is demonstrated as the exotic charm of another system of thought, is the limitation of our own, the stark impossibility of thinking that.⁴

Until the last quarter-century, public health specialists have been unable to ‘name’ the human suffering associated with mass violence. The mental health impact of the genocidal experience of Cambodian society under the Khmer Rouge regime (1975–9) and the subsequent confinement of almost 400,000 Cambodian men, women and children on the Thai–Cambodian border remained undocumented for over a decade.⁵ Similar acknowledgement of the emotional suffering of Rwanda’s entire population remains at the periphery of international policy.⁶ The neglect, ignorance and sometimes outright denial of the mental health sequelae of mass violence is a complex socio-historical reality beyond the scope of this discussion. In Western society our definition of trauma begins with the early Greek term *traumatikos*. This term refers to a wound or an external bodily injury. Until recently, the psycho-social wounds of traumatized persons and communities have been relatively invisible. We have therefore had no terms for defining or measuring these wounds, limiting ourselves to descriptions of the physical manifestations of violence. This invisibility of the mental health sequelae of violence is most likely due to a number of factors.

First, most mental health sequelae do not have a readily apparent physical manifestation nor easily identifiable lesion such as that seen in serious war injuries. Second, the mental health sequelae of violence have been shown to be associated with high morbidity and relatively low mortality. Negative psycho-social effects of psychiatric morbidity even in severe cases have been difficult to describe; no models have been able to establish linkages between the human suffering of war and economic productivity. Third, the marginalization of mental health outcomes have been partially stimulated by unexamined and unproven public health attitudes that believe that survivors of violence would prefer not to publicly reveal their traumatic life experiences. Furthermore, it is claimed that assessing the traumatic experiences of individuals creates additional upset and emotional distress, that can interfere with the natural healing of trauma over time. Finally, there is a desire to protect the survivor from the stigma associated with psychiatric labelling and treatment.

In recent years, clinical investigations of the psycho-social impact of mass violence on Nazi Holocaust⁷ and torture survivors,⁸ refugees and displaced persons,⁹ and Vietnam and other combat veterans have discounted all of the above misconceptions for these clinical populations. Validation

of the diagnosis of post-traumatic stress disorder (PTSD) has generated standardized diagnostic criteria for the first time for evaluating trauma-related psychiatric illness.¹⁰ The cultural adaptation of PTSD in non-Western populations and the ability to assess traumatic life experiences in detail through semi-structured interviews have resulted in a new wave of population-based research.¹¹ For the first time, the psycho-social morbidity associated with cumulative trauma is being measured in traumatized populations throughout the world.

The centrality of the trauma story

The measurement and assessment of traumatic outcomes associated with mass violence poses a conceptual, and possibly an ethical, dilemma. How can public health officials proceed with their assessments of traumatic outcomes without trivializing the horrific and brutalizing life experiences of those affected by violence? In principle, a taxonomy of traumatic outcomes must be centred in the life history of affected individuals, their families and communities. How then do we make a transition from the very deeply personal nature of a survivor's *trauma story* to an empirical and less subjective approach or approaches?¹² The public health planner faces an enigma extending from measurement through planning similar to that facing the clinician in his or her diagnosis and treatment of the trauma survivor. Neither want to lose the essential humanity and dignity of traumatized patients by denying them their reactions to brutalizing and unjust life experiences. Clearly, our new insights into human suffering caused by our measurement of the mental health and psycho-social impact of mass violence has resulted in an expansion of the original Greek definition of *traumatikos*. The physical wound has been extended inward to include internal psychological harm and outward to include social damage to families, neighbourhoods and communities.

Paradoxically, the objectifying nature of the *trauma story's* universal anatomy or component features provides the bridge necessary for shifting from the core meaning of traumatic life experiences of individuals to the various therapeutic approaches of the doctor, psychologist and international public health planner. Over the past decade, our oral history of Cambodian-American women archived at the Schlesinger Library for the History of Women in America has led to a number of insights into the major components of the trauma story. Phenomenologically, each of the life histories had within them four stories. These four stories are described in Figure 3.1. Each of the four stories will be briefly described and excerpts from one of the narrators' (called S.P.) oral history used to illustrate them.

The first story or component is called the *factual accounting of the events*. In each oral history the brutality that the Cambodian women experienced under the Pol Pot regime was made explicit. Life under the Khmer Rouge had its similarities for these women in spite of their different

- Factual accounting of the events
- Cultural meaning of trauma
- Looking behind the curtain
- The listener–narrator relationship

Figure 3.1 The trauma story: the four stories within a story

ages and social backgrounds. The following quote from S.P. illustrates the brutalizing violence all systematically experienced.

From that time, or two or three month my littlest daughter start to getting very, very sick. She had diarrhea. Here I am, luckily that I have the soldier that would have a crush on me or what, and I don't know, would come to visit me – and begging him anything just to get the medicine for my children. On that time he did give me penicillin. I don't think it would heal, but it better than nothing. And I give it to her. Her condition getting weaker and weaker. The food getting lower and lower. So does myself getting weaker and weaker. To watch my daughter, it's start to . . . you know she more like . . . She miss her home, she miss her toys, she miss her food, and she start to complain and talk day and night all the time. Somebody told me to burn marijuana, put in a sugar to make her sleep, not to talk too much. They'd give it to her. It does help. To me, until now I think I blame myself for that. Maybe I give her too much. She sleep, and one day I woke up, and she just getting so soft and just couldn't say anything. The diarrhea is still on, the food's not being – we still had some food left for her to eat, but she couldn't eat. She still want her bread, she still want her toy. Everything is start to getting less and less. One day when I – on that time I asked my mother to take care of her, you know, instead of go to work. I go to work, I work for two. It's for my mother and for myself, because I won't have to take care of my little girl. And I go not too far from her, like from here to the corner, and I hear my mother call me. I come over. Here my daughter, she is gone. It just . . . I don't know how to say, because I saw everybody in my family had come, and that time it just shock. She one of the girl would, the bride family would laugh or cry. She just died, her eye open. She's not completely died when I come over and hold her. She look at my face, and she love to touch my breast. Before she put it – before her lie down, she's gone. My father, my brother want to cry, but they have no chance. My father run over here, so does my brother. My sister, my

little sister and my son didn't know what going on. And they come back from the back garden with a beautiful flower and say, 'Here for her. She'll probably feel better to see this flower.' She's gone. That night I hold my daughter body. Our whole family very, very quiet. Nobody want to say anything. She is the first person who die in the family. Start from her. I saw my father start to change his attitude, like instead of make some kind of joke he lost his sense of humor; also because after my husband lost, he's very, very close to her.

The *cultural meaning of trauma* has been described in previous reports. The history, meaning and type of violence experienced is different from society to society. This is not to say that sexual violence is not perceived by all men and women in every society as a deep injury and social degradation. The universality of personal responses, however, may be manifested differently in different cultures and stigmatize the victim to a greater degree in some societies than others. Each narrator in revealing their trauma story, however, provides unique cultural insights to the listener of the meaning of their experiences both good and bad within their cultural framework. In this quote from S.P., she reveals the sanctity of death and burial in traditional Khmer society as well as providing some insights as to the nature of her arranged marriage.

No. One thing my mother, she has well, a tenant house which went to many family. And my husband mother, she's a widow, and she has three kids, no she has four children, two boys and two little girls. And one day, that I go to collect my rent, and my husband saw me and he like fall in love at the first sight. He tried to find out who that girl is. And one of the tenant say, 'Ooh, you can't because she is the landlord daughter.' And he said like, 'Oh.' Then he told his mother and he say like, 'I really want to marry the landlord's daughter.' And my mother-in-law seem to be like, 'She's kindly, but fine,' because compared to the class we are different because he's only my tenant and my mother-in-law mother doesn't make much money. My mother she – I'm not calling rich for my family, but you call it little bit more than middle class. Then my mother-in-law decide for better she not going to do it. Because she know my mother would say, 'No.' For that time, the tenant, the neighbor who know that happen, that know my mother very well, that she know my mother very nice, she not going to care so much about money. She care about how nice a person, is he good, tell my mother-in-law that it's OK, go ahead, and 'try before you give up.' And my mother-in-law said, 'I'm not going to try.' And that person bring that toward my mother, that my husband saw me and he really want, you know, to get being serious, what will my mother say? And my mother say it's fine if they come through the, we say the rule, we'll take them then, but my mother said, 'I won't embarrass them,' she just

want to know more about family history. Then my mother-in-law start to come. When my mother-in-law start to come, and we found out like, my father-in-law, she left my father-in-law, my father-in-law have another step-wife; and she got involved with another guy which is more like boyfriend and girlfriend, that which is absolutely wrong for my culture to do that. But to see how handsome my husband is. He's very, very pleasant, very, very polite. My mother said, 'Well, we'll try.' First time she want my husband to come every weekend, you know just to spend time at home at my house to help my father do little bit thing, and he'd be so in for the history more, little bit. And from time to time, my parent falling in love with him, because he's such a very, very sweet person.

It's horrible. I bury my parent by my own hand. Like I said, you used to put the body in a beautiful clothes, the favorite clothes that the body used to like it before they died, OK? You'd give them a bath, you'd give the body – OK first of all you give the body a bath, right? And you put them beautiful clothes. It's like in here. You put beautiful clothes, you put a little bit of make-up, or sometime you just put beautiful clothes for the body before you put the body in the box. Is that the box? Coffin. You put the body in the coffin the only thing the body used to like, OK. And if the body is the mother of the baby, and the mother die and the baby still alive, sometime you put, like a . . . watermelon with the body to pretend like the baby also. This is what I saw in the person next door. I say, 'Why you do that?' because they put like a watermelon with that; because they feel like the soul is not completely peace, because she still miss her children, the baby, the youngest one. So they view the soul . . . it's just a fake baby, pretend like – even you die, you still have the baby with you. But this baby is not you any more, leave it alone. You follow me? After that you put the body in the coffin, and you go to the funeral and you bury it. In Pol Pot regime . . . this is I'm talking about my own experience. When my little girl died, first experience, horrible experience in my family. It's my little girl. She's young. She's the first one. I remember I had a beautiful, a beautiful, how you call . . . not blanket, but it's softer than that. It's more like a blanket, but it's made by silk. It's beautiful. It's a gift from my mother after I get married. I cannot even find a wood to make a coffin for her. So I wrap her in the beautiful fabric, with her nice clothes . . . not very nice, it's just the clothes that she like, you know. My father and my brother bury her. I didn't even go over there, because I cannot go. I don't think I can deal with it. Through my family, I mean I cannot even find a piece of wood to put underneath of the hole. You know what I'm saying, because when you dig the ground, it's kind of get wet underneath. Even though, you have no choice. You have to put your parent over there anyway, because you cannot even find anything else to do. Luckily, like my mother I been

wrap her in the beautiful clothes that she have. And I didn't even find the mother anything. It's a horrible thing after I bury her for two or three days, somebody tell me that, this is still a nightmare for me until, how they say, like the wolf been go through the whole thing because they didn't dig her high enough – not deep enough. They didn't bury her deep enough. How do you feel if you were me? She is the favorite person in your life. She die, you thought she's in peace. Even the body cannot stay in peace.

Looking behind the curtain reveals the transformation of value systems of survivors of mass violence. Cultural customs and beliefs that were readily accepted by survivors are destroyed by their new insights into a conventional world destroyed by torture and violence. As the violence they survived destroys their old ways of thinking and behaving, many get to look behind the curtain of their previous ordinary life and find something new. Traumatized women are especially affected by the lack of meaning they discover in gender biases and prejudice. Again, S.P. illustrates this point.

Right, yeah. But one thing is, I think being a human being, you have to love in your heart. You don't have love, you not a human being. Life is create by happiness, sad, exciting, unexciting, boring; that is create to be life. Sometime when the life getting so disgust, I figured out that is to my – this is what this life going to be. I mean, you have to miss everything to become life. For me, it's always one after another. Last week I taking care of my insurance, I take care of my mortgage, all of the sudden feel, OK, I seem to can be relax right now, and all of the sudden, one of the guy hit my car, OK. And I searching out, I found here insurance which is problem I been taking care of. When I go to work, I got flat tire. And I figured out, why me? I mean, God don't you dare get enough? But this is life. You always have something to interrupt, but you always have something to look forward to. But I never chose if I happen to live, to reborn again and know my past life and my life right now, I never want to be alone. Never. It just kind of very scary situation to be lonesome, but I never want to marry with a, you know, unstable married also, because . . . according to what I been through, according to what I brought up, it's just . . . love is just one for one, one person for one person. I don't think I have that kind of love in this country, or maybe I didn't look hard enough. But . . . I see so many people the way they cheating, the way . . . maybe she's right. Instead of get married again, she settle down for being single. But there are no meaning. To be single for what? For be alone and stay home all the time, going to work all the time, for what? I have no answer for that, but the thing is I just hope someday my life would be different, a little bit more excited, instead of be so dark like that. Don't you think?

Finally, in our basic understanding of the trauma story, the trauma story, in fact, does not exist unless it is told to the listener. Maybe this is why the public health planners could not appreciate the mental health sequelae of violence because they did not listen to the trauma story. Neither the trauma story nor its traumatic outcomes exist unless there is communication between narrator and listener. This reasoning is, of course, an extremely naive understanding of the doctors', public health planners' or policy makers' relationship to the trauma story. The trauma survivor is always telling their trauma story to everyone, especially those with whom they are most intimate. However, the trauma story may only exist disguised in its bits and pieces. The signs of the survivors' stories are everywhere because these traumatic life experiences affect their health, identity, personality and feelings.

The impact of trauma: causes and consequences

The survivor's trauma story is not a buried treasure waiting to be discovered. It is this phenomenon that allows the doctor, public health planner and policy official, each with their own methodology and goals, the possibility of measuring and interpreting traumatic outcomes. Figure 3.2 demonstrates the reality that the trauma story can be identified in traumatic events and the major traumatic outcomes of violence: psychiatric symptoms, functional limitations and disability. Figure 3.3 reveals the basic epidemiologic model of causes and consequences linking traumatic experiences to traumatic outcomes.¹³ Until recently, almost all research

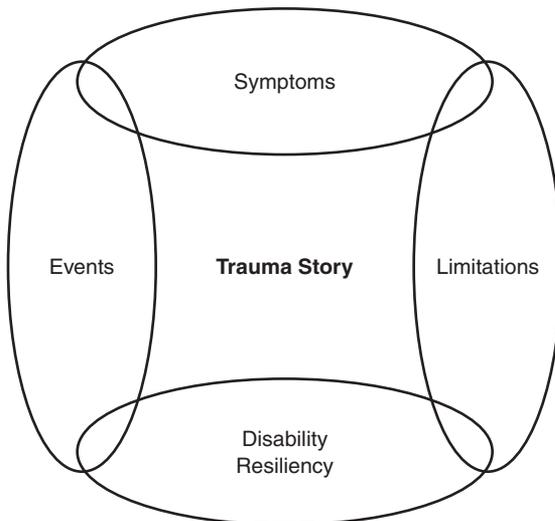


Figure 3.2 The centrality of the trauma story

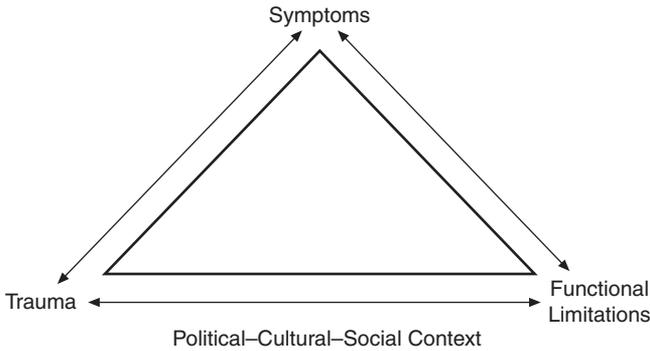


Figure 3.3 Causes and consequences

associating trauma with traumatic outcomes has been based on clinical populations. Since the pioneering community studies of Eitinger and his colleagues¹⁴ demonstrating the long-term mortality and morbidity of the Nazi Holocaust on survivors over time, clinical studies have demonstrated strong associations between trauma in various survivor groups with physical illness, psychiatric symptomatology, especially depression and PTSD.¹⁵ Recent community surveys have linked trauma to functional impairments.¹⁶ Few longitudinal studies exist which would be capable of elucidating the direction of the causal arrows in Figure 3.3 as well as the natural history of recovery. Dose-effect relationships between cumulative trauma and traumatic outcomes have been fairly limited in establishing causality linked to violence because of lack of knowledge of the potency of individual trauma events and the cross-sectional design of almost all surveys.¹⁷

Fortunately, major advances in the cultural validation of survey instruments in non-Western and non-English-speaking populations have allowed for reliable and valid measures to be successfully used to assess each point of the triadic relationship: i.e. trauma-symptoms-functional limitations.¹⁸ The traumatic experiences of survivors is different in different cultures and geopolitical environments. For example, under the Khmer Rouge many individuals were tortured by having a plastic bag placed over their head. This did not occur in Bosnia. Tortured individuals there experienced horrifying events unique to that conflict. It is critical to recognize that the cultural meaning of trauma varies from situation to situation.¹⁹ While all cultures have methods for categorizing symptoms of emotional distress, it is still uncertain whether the symptoms defined by the clinical criteria for the Western diagnosis of post-traumatic stress disorder are universal.²⁰ Recent scientific assessments of Cambodian and Vietnamese populations strongly suggest the relevance of PTSD in defining trauma-related

symptoms in these populations.²¹ While the criterion validity for PTSD may be accurate, it is unknown whether the construct validity for PTSD is meaningful in societies unfamiliar with its definition and therapeutic usefulness.²² The cultural relevance of PTSD has been comprehensively reviewed in numerous reports.²³

The sociocultural contextualization of functional limitations poses the greatest difficulty for assessment.²⁴ The basic elements of functional limitations will be reviewed later in this chapter. However, since functional limitations are primarily related to an individual's ability to master his or her life situation, interact with family, friends and neighbours as well as maintain social responsibilities and obligations, the manifestation of each of these domains is especially culturally dependent. In addition, social expectations related to functional status changes for age, gender, social class and marital status in different cultures. Knowledge of the political, cultural and social context for each point of the triangle in Figure 3.3 is essential for evaluating traumatic events and traumatic outcomes.

Three major dimensions of analysis

Figure 3.4 demonstrates how the triadic relationships described above can be applied to three major approaches in assessing traumatic outcomes. These approaches are called the medical, personal and public health approaches, respectively. Unfortunately, in many previous discussions, competition between each of these models has not allowed for a comparison of the value of each approach. Review of each element of Figure 3.4 reveals the following insights: first, all of these approaches assume that traumatic life experiences, especially the horrific life experiences of mass violence,²⁵ have a major impact on the medical, personal and public health aspects of traumatic outcomes. The term 'symptom' illustrated in Figure 3.3 which is usually used to describe psychiatric symptoms and diagnoses is expanded to include other types of 'symptoms' related to traumatic outcomes as defined by the practitioners of the medical, personal and public health approaches. The medical approach primarily identifies those physical injuries and medical illnesses caused by mass violence and torture; the personal approach describes the myriad of ways in which psychologists, writers and social scientists reveal the human aspects of personal suffering. Often this is viewed as revealing the 'inner life' of the traumatized person. The public health approach uniquely shows the medical and psychiatric illnesses manifested by entire populations leaving the individual effects of violence to the clinical attention of the doctor-patient relationship. Of course, each of these approaches overlaps with each other; ideally they are aware of the contributions made by each to our assessment of traumatic outcomes. For example, the symptoms of depression which are often associated with traumatic life experiences may be diagnosed as a psychiatric

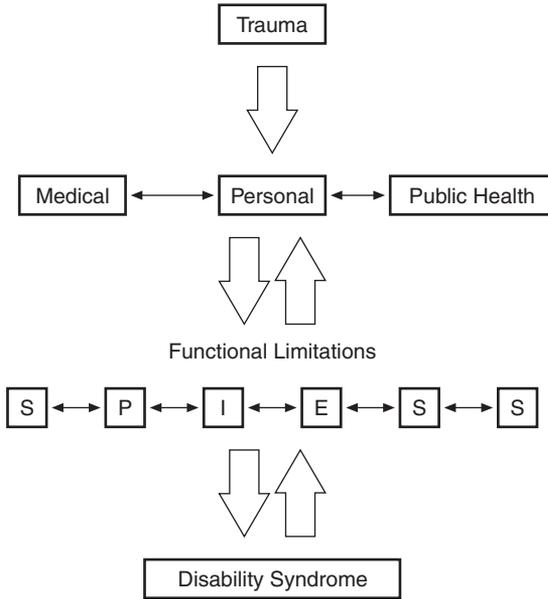


Figure 3.4 Three major approaches

disorder by the medical approach, seen as a worldview of despair and hopelessness by the personal approach, and measured as to the prevalence of depressive symptomatology in an entire traumatized population by the public health approach.

In Figure 3.4 the line called functional limitations separates the psychosocial disruptions caused by violence (and quite possibly mediated through symptoms) from symptoms as described above. The delineation of functional limitations from medical and psychiatric symptoms has been a major methodological achievement of health outcomes research over the past decade.²⁶ In Figure 3.4, functional limitations are defined by the letters SPIESS. The latter has been revealed as representing the most basic aspects of physical functioning and social relationships. Each element of SPIESS affects the capacity of the trauma survivor to cope with his or her post-traumatic environment. Why are we now emphasizing the importance of functional limitations as a major traumatic outcome of mass violence?²⁷ While most individuals of mass violence and torture commonly develop traumatic symptoms, it is not known whether or not they become functionally impaired to the degree that their personal life and economic productivity suffer. Evidence of high prevalence rates of PTSD, for example, in refugee populations has not convinced policy planners of their need to respond to what they consider a normally occurring violence-related

outcome. Only until symptoms in each of the three approaches is linked to functional status will evidence be capable of leading to generating therapeutic interventions and new public policies.

Figure 3.5 defines each item that comprises a comprehensive assessment of functional limitations.²⁸ Skills and talents, i.e. the individual's ability to master their everyday life, are often severely affected by mass violence. Survivors often state they are no longer capable of achieving the same level of competence in their work that they had prior to the violence. Physical injury associated with combat and war injuries, such as landmine amputations and blindness, is common (and ongoing) in many post-conflict environments. Intellectual performance, especially deterioration in memory and ability to learn new tasks and ideas, is associated with brain injury, starvation and the secondary cognitive sequelae of PTSD and depression. Chronic fatigue and mental exhaustion is frequently found in populations experiencing long-standing conflicts. It has become evident that those exposed to mass violence and torture can experience problems in all of their social relationships. This can be due to new feelings of lack of trust of others caused by violence, the sense of shame and uncleanness caused by sexual abuse, the killing and/or disappearance of family members and friends. Normal social obligations, including neighbourliness, community activities and trust in local government agencies and national policy, can be severely compromised, making reconstruction efforts extremely difficult. At the core of spiritual and moral disillusionment is a loss of faith in social justice and a rejection of the belief that fairness of rewards is associated with decent human behaviour. Existential states of despair and hopelessness associated with the destruction of normal everyday life by horrific and brutalizing violence challenges the religious faith of many. Currently, little is known of the functional limitations associated with mass violence.

The last level of Figure 3.6 describes the disability status of the survivor. A disability syndrome describes the trauma survivor's ability to perform the following:

- 1 basic activities of independent living,
- 2 economic self-sufficiency and work,

S = Skills and talents
P = Physical injury
I = Intellectual performance
E = Emotional exhaustion and physical fatigue
S = Social relationships and obligations
S = Spiritual and moral disillusionment

Figure 3.5 Functional limitations

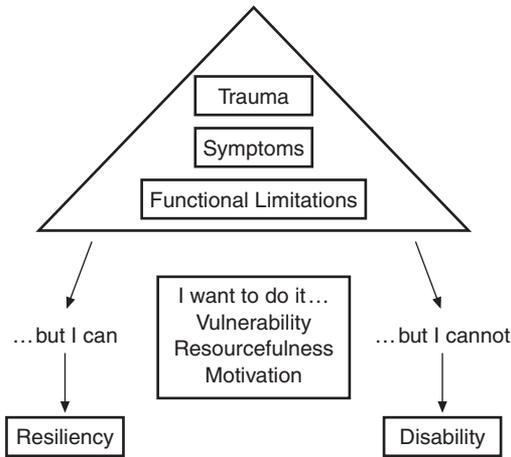


Figure 3.6 The paradox of survival

- 3 family support,
- 4 community action,
- 5 political participation.

Each and every one of these elements of the survivor's capacity to work and participate in rebuilding family and community is essential to reconstruction efforts. Almost no knowledge exists on the relationship between trauma and this terminal endpoint of traumatic outcomes. An important caveat related to the issue of disability, however, can be made. It is evident that in many traumatic situations (Figure 3.6) individuals with high levels of trauma, symptoms and functional limitations can be highly productive members of their societies. The reverse situation is also true. The personal characteristics of individuals (e.g. motivation), as well as the availability of resources and opportunities within a post-traumatic environment, clearly has enormous impact on a survivor's coping strategies and productivity regardless of their traumatic life experience. Many survivors are capable of overcoming horrific life experiences; it is essential for any recovery activity to learn to strengthen those resiliency factors associated with '... but I can.'

Methods of trauma approach

Table 3.1 summarizes each of the three approaches for assessing traumatic outcomes. Each approach has its own methodology for identifying traumatic outcomes. The disability syndrome identified by each approach has not been included in this table because it has been impossible for a

Table 3.1 Assessment approaches

	<i>Medical</i>	<i>Personal</i>	<i>Public health</i>
Technique/analysis	Review of systems Physical exam	Oral and life history Testimony	Surveys Interviews
Diagnose specific symptoms	'All organ systems affected'	Transformation of the subjective feelings of identity and well-being	Brain injury PTSD Depression
Functional limitations	Skills and talents Physical injury Emotional/physical exhaustion	Emotional/physical exhaustion Social relationship Spiritual disillusionment	Skills and talents Intellectual performance Emotional exhaustion Social relationships

practitioner of each approach to clearly identify their criteria for establishing disability. While the practitioner of his or her method may be able to identify traumatic outcomes related to symptoms and functioning, the ability of survivors to perform socially and economically productive activities is most likely more influenced by political factors and work-related opportunities than prior traumatic life experiences. Current political realities affecting work opportunities, however, may have also caused the survivor's initial traumatic experiences. Each feature of the three approaches is described under technique/analysis, diagnosis and functional limitations. Extensive and thorough investigations of the medical sequelae of mass violence, especially torture, have been well described.²⁹ Chilean psychologists working with torture survivors have described the approach call 'testimony'.³⁰ The oral and life history technique of our working team, the Harvard Program in Refugee Trauma, has been previously presented in Mollica, 'The Mental Health and Psychosocial Effects of Mass Violence' in Leaning *et al.*: *Humanitarian Emergencies: The Medical and Public Health Response*, Harvard University Press, 1999). While it is generally accepted that mass violence and torture can have an enormous distortion on an individual's inner concept of identity and well-being, including a profound disruption of social relationships, the theoretical literature on personal outcomes remains broad and unfocused. Public health investigation of traumatized populations is still in its infancy. Except for the original studies by Eitinger, it has only been recently that large-scale population studies of combat veterans, Nazi Holocaust survivors and refugees have been attempted.³¹ The results are revealing the prevalence of psychiatric morbidity and related risk factors of major public health importance.

Conclusion

In spite of centuries of man-made violence which has created suffering for many millions of persons, the identification of traumatic outcomes has been ignored, neglected and even denied by those responsible for the recovery of these communities. New scientific studies of traumatized populations reveal high rates of mental health sequelae previously unknown. The trauma story of every survivor can be identified within each of three major approaches of assessing traumatic outcomes: medical, personal and public health. While the functional limitations of survivors can be assessed by each approach, the relationship of trauma to economic and social productivity remains elusive. International policy planners are still in need of an estimate of 'caseness' which links trauma to symptoms and functioning. In spite of the limitations of current research new measures are emerging for the first time capable of describing traumatic outcomes in traumatized populations throughout the world.

Notes

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4 New developments in the social market economy in Germany

Peter Eichhorn

EU policy, public budgetary prerequisites and the ‘New Public Management’ movement have all had several effects on the social market economy in Germany, on services of general interest as well as on the public and private enterprises concerned. Transformation processes are in train with respect to increased competition, business structures and behaviour in public administrations and public utilities in public, mixed economic or private ownership. Services of general economic interest shall be subject to competition rules within a regulatory framework. The consequences of these developments for guaranteeing service supplies of general economic interest for the public are as yet unknown. One implication, however, is already a reality: the more market orientation is achieved the more state involvement is necessary.

The pure versus the social market economy¹

There are different forms of market economy, namely, the pure version which wholeheartedly subscribes to the tenets of the market mechanism, and the social version which provides compensatory mechanisms where pure competition would lead to undesirable results for the public at large. The key term here is social justice. The thinking behind this term is that those members of society who are insufficiently productive or possibly incapable of being productive must be provided for. The hallmark of a social market economy is, therefore, that the principle of social solidarity coexists with the principle of free-market competition. While the latter rewards the production of marketable goods and services, the former gives rise to a compensatory system to combat its negative side-effects.

A market economy does justice to the social balance when it links the principles of competition and solidarity in a very specific way. Competition should not be the objective here, but should be seen rather as a means of improving people’s quality of life in both a material and non-material sense. I have deliberately not mentioned growth in the sense of increased national product as this economic factor encourages the setting of quantitative objectives. Emphasis should be given instead to the

improvement of people's quality of life in the sense of improved quality of working life, food, accommodation, leisure time and the environment, and consequently in the degree of correspondence between expectation and perceived outcome. In addition to the market mechanism there must also be compensatory mechanisms in place to offset inequalities between groups, regions and generations, as well as between humans and nature. The solidarity between the following are illustrations of such compensatory mechanisms:

- self-help groups
- groups insured under statutory health or care provision, unemployment or accident insurance
- groups insured under statutory pension provisions
- tax-payers and those receiving social security and financial support
- tax-payers and beneficiaries of training grants, free second- and third-level education
- governments by means of state and communal redistribution of income
- developed and developing countries, in particular if one thinks of the excessive indebtedness of the Third World and the demand for debt remission
- humanity, both present and future, and the threat it poses to nature.

There is overlap between behaviour which is regarded as just from the market perspective and that which is just from the social perspective. The question, therefore, arises of just how large or how small the intersection between the two should be. The answer from the perspective of the pure market economy is that there should be more market and less state. Less state involvement would mean lower welfare contributions, lower taxes, less regulation, less bureaucracy. Everyone would be fairly treated according to their purchasing power. The market would be fair because it would reward performance; above all, one of its major advantages is that it ensures the highest possible level of efficiency and the optimal supply of goods to the economy as a whole.

Justice in this market economy sense leads to a balance – but only between those who are of equal strength. And what happens in the case of those who are of unequal standing? This is where the problems begin to emerge, not to mention social injustice. The concept of the pure market economy, extensive competition combined with maximization of performance, profit and income, strengthens those who would be strong regardless, while the poor, the unemployed, large families, the handicapped, the homeless, the sick, the uprooted, the elderly, those in need of care, and those in debt, all fall by the wayside.

Social justice goes beyond establishing a balance between those who are of equal strength by providing financial compensatory mechanisms which favour the weak or, to put it more precisely, the disadvantaged are

favoured. A market economy which is social in its orientation cannot, therefore, accept formal equal rights as equal treatment for all. In my opinion the classic example of this comes from Anatole France. A law prohibiting all people, regardless of circumstances, from spending the night under bridges simply does not have the same effect on owners of mansions and persons of no fixed abode. Technically, even if equal treatment does exist, in reality such a law amounts to unequal treatment.

General services within the European context²

Article 4 of the EC Treaty of Amsterdam, 2 October 1997, states the principle of an open market economy with free competition. Open means principally no national barriers between the EU Member States and free competition means principally no regulation of economic branches. Offended by this doctrine of competition there is now the threat of intensive competition even in areas where competition was previously the exception. Whereas, for example, companies supplying general services or services of general interest were previously subjected to retail restrictions by the legislator and statute regulator, and to the controlling influences of the promoter, they are gradually being regulated only by means of framework conditions (e.g. by market access restrictions, service programmes, predetermined quantities and prices, as well as by health, safety and environmental regulations) and are now increasingly exposed to competition.

Services of general interest can be interpreted as the socially justified efforts of the state to safeguard the existence of the individual and the overall population. Services of general interest which guarantee the conditions for existence include safeguarding the future of society and the stimulation of the productive capacity in a country's economy. This state activity is a matter mainly for the bodies comprising the state's public administration.

The term 'services of general interest' covers market and non-market services which the public authorities class as being of general interest and subject to specific public service obligations. The first type of market services are called services of general economic interest. This is the term used in Article 86 (2) of the EC Treaty of Amsterdam, which subjects the Member States to specific public service obligations by virtue of a general interest criterion:

Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly shall be subject to the rules contained in this Treaty, in particular to the rules on competition, in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them. The development of trade must not be affected

to such an extent as would be contrary to the interests of the Community.

This would tend to cover such things as transport networks (railways, trams, bus/coach operations, airports, inland ports, seaports, container ports, waterways), energy (electricity, heating, gas and petroleum supply via pipelines) and communications (postal services, telecommunications, broadcasting), but also related infrastructural services, such as water supply and waste water disposal, rubbish disposal including recycling and landfill operations.

Throughout the European Union these types of public utilities have traditionally been provided by public enterprises operating at the national, regional or local level. In Germany the guardians, or rather owners, shareholders or controlling bodies of these companies have been predominantly central, regional or local authorities. With the exception of the national railways, and postal and telecommunication services, local or regional monopolies have up until now dominated the landscape in Germany. This is different, for example, to the situation in France with national enterprises (e.g. *Electricité de France*, *Gaz de France*), and in Great Britain, where public utilities were privatized in the 1980s under Margaret Thatcher.

One reason for the provision of these infrastructural services by state, semi-state or community-owned companies was that it was considered likely that competition failures might occur because of the specific characteristics of these sectors. Due to 'economies of scale' and the high 'sunk costs' involved, it was generally accepted that parallel networks should not be constructed in the infrastructural sector. The fact that the state or local authorities were owners of these infrastructure enterprises was regarded in Europe as a safeguard against the exploitation of the general public in the provision of these services.

In the European Union importance is now attached to the 'unbundling' of the infrastructure and service sectors. Unravelling the sectors of production, transport and distribution (e.g. for electricity supply) opens up third-party access to networks and operations, places companies in the public and private sectors on an equal footing and treats them identically, and limits aid, cross-subsidies and tax concessions brought about by specific state and community tasks as distortions of competition.

Consequently there are high hopes of an improvement in the allocable efficiency and consumer-friendly service offers. Competition should be the steering mechanism for the ideal provision of goods or services, along the lines of economic liberalism. The state must restrict itself to fixing the framework conditions.

General services are only one side of the coin, their fulfilment the other. A properly functioning competitive order is the key here. Public or private ownership is of secondary interest. The problem is whether the services of

general interest should continue to be politically determined (a public task) or transformed to commercially orientated activities.

This problem also occurs in the field of non-market services. In the case of services of general economic interest in Germany, for example, public authorities play the dominant role. Society and business are, however, also involved in carrying out tasks in the health or social sectors (e.g. hospitals, services and establishments for the young, the elderly and the handicapped). Although Article 86 (2) currently only covers services of general economic interest, in my opinion it is only a matter of time before these non-market services including cultural affairs (theatres, orchestras, museums, libraries, etc.) are subjected to competition rules.

It should be pointed out that these rules do not differentiate between federally, state or municipally owned enterprises and privately owned non-profit organizations or commercial firms. All of these are dealt with equally. If an undertaking provides services of general interest, specific public service obligations may be imposed by the public authorities without questioning the ownership of the undertaking.

The New Public Management movement

EU policy on services of general economic interest was adopted at a time when the public sector had been under severe pressure to reform for some time. 'New Public Management', or rather 'Public Management' as it is no longer so new, has acted as a frame of reference for modernizing the public sector. In Europe the reform issue is linked to the increasing criticism of the traditional welfare state model.³ In Germany the New Public Management movement primarily stimulates the modernization of the internal structures and behaviour of public administrations, mostly at the local level, but to some extent also at the state and federal level up to the governments concerned. Second, the movement goes beyond this and focuses on the modernization of public sector management in public utilities and other bodies fulfilling public tasks, such as chambers of commerce, social insurance corporations, mixed economy enterprises and non-profit or voluntary organizations.

Two trends may be detected: the outsourcing of services of general interest from public-law to private-law legal forms, and the running of market services of general interest by private providers to ensure more economic, efficient and effective supply.

Some new developments in general services⁴

Typical of the situation of companies supplying services of general interest is that total competition does not exist for technical and economic network reasons. Competition based on substitutes is present; however, potential takers are only able to switch to related and not to identical

service offers. For example, local public transport services are in competition with private modes of transport. Alluding to 'economies of scale' and the high 'sunk cost', Germany decided not to construct parallel networks in the infrastructure sector. Local and regional monopolies, however, dominate the landscape in Germany, which is different, for example, from France.

While this imperfect market was formerly limited in size by the regional principle, restricting providers to their local area by denying them investment beyond their local boundaries, an increase in pressure to extend the boundaries of the regional principle has been evident for years. In place of the suppliers of services of general interest operating solely at a local level, regional and national companies have emerged and indeed continue to emerge in Germany, often with national and international ambitions (operations on a European and global scale). Consequently the number of market participants is declining. A decreasing number of corporations is seen to exert a dominant influence over the market. A symptomatic indication is the tendency of energy suppliers to concentrate. The companies supplying services of general interest have substantial financial boosters, not least because of inefficient state price and competition supervision. These allow the national German energy suppliers to diversify into other sectors of supply services of general interest (e.g. waste disposal and telecommunications).

Two other tendencies are emerging in Europe, or have already become established (e.g. in Great Britain, and increasingly also in Germany): first, the separation of network and operation and, second, the divisional separation of post-office and telecommunications at the federal level, and of provision and transport at the local level. While with the local cross-link the *Stadtwerke* (public utilities) bring together all services under one roof, regionally operating companies with only one division are also emerging in parts of Germany. With them come high hopes of greater flexibility and transparency and higher levels of profitability. In the interests of public tasks, the former cross-subsidization undertaken between surplus divisions (e.g. the energy sector) and divisions in deficit (e.g. transport) is being abandoned. The sectors supplying services of general interest which are in deficit, in particular, are coming under increasing pressure to legitimize and streamline. The reverse side of the coin in terms of this development is being largely ignored. The concern is that synergistic effects in the form of advantages of scale and scope can no longer be exploited.

While companies in the private sector determine their organizational *raison d'être* and targets themselves, companies supplying services of general interest are subject to commitments for the common good which have been drawn up by outsiders. In this way the fulfilment of state or community tasks is to be guaranteed. Apart from the traditional proprietorial supervision of companies in the public sector, there are numerous public-sector administrations in Germany monitoring observance of cus-

customer requirements. Companies targeted are those in the public sector, part publicly owned or in the private sector – the latter based on contractual public–private partnership or governed by branch-related regulatory provisions. Within the public sector direct commitments to customers from companies supplying services of general interest can be implemented directly at the level of company targets. This happens within the framework enshrined in contract authorization by way of remuneration commitments, consequential contractual clauses, and in the case of regulation, by way of legal and statutory requirements applicable to the whole of the industry. In terms of the option of customer commitments, public sector guardianship offers the most potential.

The amount of scope available to fulfil commitments to customers is crucial for the determining of targets for company procurement criteria, national product and output tax, as well as strategic and operative budgets and measures. Basically those companies supplying services of general interest are subject to narrower restrictions which have less competition (e.g. water supply and waste water disposal utilities), compared with those which must contend with stronger competition (e.g. energy supplies utilities and telecommunications). The prevention of the misuse of market power, however, is not the only reason for the existence of customer commitments for companies operating in Germany. These are also motivated, for example, by regional, social and environmental policies.

From customer orientation to market orientation

The fulfilment of public tasks in the supplying of services of general economic interest by individual companies can be geared to supply or demand. In the case of the former – the usual scenario in the past – organizational structure and procedural routines were geared primarily to statutory norms and internal company requirements in terms of task implementation. The dominating factors were access, operation, transport, delivery and wage agreement duties and principles of equal treatment and guarantees. After compiling the cost of the factor input, the cost requirement was calculated, and the quoted prices were ‘socially’ calculated by taking into account user tolerance. Any deficits emerging were compensated for. In terms of input, establishments supplying services of general economic interest acted like local authorities. In order to ensure that companies did not sink to tax-financed administrations, the thrust of the financial management was frequently targeted at covering costs.

For some considerable time now increased attempts have been made in Germany to accommodate customer requirements. By stressing output and customer service, or more precisely, the scope of services, service quality and ‘additive’ service, there are high hopes of an improvement in the acceptance by potential takers, more flexible treatment and overall higher productive capacity in the fulfilment of tasks. A recent further step has

even been to compare prices chiefly with goods or services based on competitive substitutes. Value for money is increasingly judged from the point of view of potential competitiveness. The principle of equivalence plays a greater role in price setting, and consequently, in place of a controlled, customer-orientated meeting of demand, task fulfilment is geared to market and prevailing competition. Services of general economic interest are taken up by customers according to their purchasing power. This competition orientation also presupposes market power on the part of the potential taker which is perceptible to the service-provider. For competition to have the desired effect in terms of efficient allocation, it must be dominated by competition between contractual partners of equal strength. Following the example of practices in the German housing industry since the mid-1980s (the abolition of special tax exemptions for companies) there are signs of an imminent switch in other sectors supplying services of general economic interest from object-financing related to the company to subject-financing related to the person. The functional aim of companies used to be cost-covering with an established profit level. Nowadays it is more likely to be service maximization with cost-covering, but sooner or later it will be profitability.

The serious thing about this is that the tendency which has thus far prevailed in terms of companies supplying services of general economic interest, for customer-orientated services geared to demand, and objectives based on profit and loss and independent profitability, will recede. The targets (geared to profit instead of meeting demand) and target orientation (self-interest instead of safeguarding third parties) of companies supplying services of general economic interest are becoming more and more similar to commercially orientated companies. As a result of the strong emphasis on competitive orientation, influential processes such as market success, growth, concentration and diversification become essential considerations for companies. These processes, whether they become routine in public sector or private sector companies or within the framework of public-private partnership, are only acceptable if they remain a basic link in the specific set of commitments made to customers. Otherwise, services of general economic interest would no longer come within the remit of the public service, to which all persons and institutions have access, and which safeguards basic high-quality, affordable and environmentally-friendly provision on a sufficient scale. The protection of private consumers in particular requires legal and statutory regulations for companies supplying services of general interest. What Great Britain is experiencing teaches us that with the privatization of companies supplying services of general economic interest, there also emerges the need for numerous regulatory authorities. The associated administrative expenditure and cost is not inconsiderable.

Consequences for attitudes and behaviour

The foreseeable development of companies in Germany supplying services of general economic interest of national, regional or local supply monopolies or partial monopolies via customer-orientated service providers to competitive companies, as well as from subsidy and cost-covering divisions and activities to profit-generating purposes, will change the attitudes and behaviour of all involved. On the positive side, the principles of economy and the requirements of management will be met more closely.

The switch from targeted control by specific public sector business links to economic regulation and social regulation greatly relieved the companies supplying services of general economic interest from far too much red tape and mandatory influence and involvement. The employees of the companies affected developed a corporate identity, as did the consumers who allowed the companies to operate as far as possible in a business-like fashion supplying services of general economic interest.

More recent European development is by contrast introducing even more extensive and irrevocable changes. Deregulation and privatization are replacing the link to officialdom and regulation. The theory of instrumentalism applicable in the past to German-speaking territory, whereby, for example, public sector companies form the operative means for political targets, no longer seems to be applicable. Special commitments to public service in services of general economic interest are now only judged with restraint, and if they are already on offer, they should at least be carried out in such a way as not to affect competitive activity. It is planned that companies will in future provide their services of general interest under competitive conditions. The criteria of success is no longer primarily the achievement of material targets, but of formal targets. Profitability is also increasingly being ranked as the main business objective of public sector companies supplying services of general economic interest.

Services of general economic interest are becoming market-related consumer goods with a kind of shortfall guarantee for social weakness. The takeover of public-benefit services is mutating to become a competitively embarrassing public-benefit burden. Inasmuch as it can, to some degree, be reconcilable with business policy, the takeover of public-benefit tasks requires special compensation.

Companies in this category supplying services of general economic interest will no longer be pursuing the agent approach principle. They will slip into the principal role and will themselves decide the strategies for energy and water supplies, post and telecommunications services, transport services and waste disposal. External partnerships with officialdom or private owners with combined operation and supplier is the motto, and the greater the pressure from competition, the stronger they gel. Strictly

speaking, it is top management which considers itself principal and partner. The agent approach principle has been switched to the interior of the business, where under the board and/or management the senior managers and other employees are becoming agents, in the sense of employees with their own business competence. In this kind of structured competitive business one selects profitable and private sector measures for success. One is geared less to an equitable customer service, benefits to target groups, highly desirable but unprofitable service offers, or expensive work and environmental protection. At the end of the day, the personnel management side of companies supplying services of general economic interest will be little different to that of commercial companies. Management and performance incentives will relate to business success, and not to public interest; streamlining will seek to improve productivity, not to improve work conditions, and to secure more time for further training.

The quality of the services of general economic interest will be measured not by customer satisfaction, but by turnover, i.e. demand backed by purchasing power. Consequently input and output are of interest. The outcome achieved with factor input and productive yield (e.g. programme quality, energy economy, supply density, exhaust emissions) and impact (e.g. customer satisfaction, health protection) on customers and third parties (citizens, society, business and economy) and the natural environment are of secondary importance. The national package of targets pursued with the theory of instrumentalism, ranging from competitive, regional, social instrumentalism and environmental policy to instrumentalism of public sector companies and regulated industries has yielded to an individual business orientation in Germany.

A corresponding transformation in operation in the section of personnel management of these debased companies supplying services of general economic interest will follow hard on the heels of the transformation of the system. In other words, public sector task-setting and task-fulfilling will no longer be criteria for qualification and selection of top management. Of greater interest is management's ability to produce the goods in specific market penetration and increasing market shares. It is, therefore, foreseeable that companies supplying services of general economic interest will reject the regional principle even more strongly than before and will purchase growth by way of mergers.

Conclusions: the challenge ahead

Exposing companies supplying services of general economic interest to competition will lead to their commercialization. Groups affected by this are public sector guardians and private owners of companies, customers, suppliers, third parties, top management and employees. The regulative policy justified and implemented out of economic liberalism in Germany

could threaten the previous education, employment, stability, security/safety, innovation, regional, social and financial targets 'pursued' by companies supplying services of general economic interest. In short, the public benefit orientated services will be reduced and/or will disappear altogether.

It appears we will have to take this on board, since thus far no provision has been made for the consequences. There have, for example, been no investigations into the loss of the synergistic effect caused by the 'unbundling' and splitting up of divisions. It is also not known by whom and how and at what transaction cost the economic targets implemented by companies can be achieved in future. There is no doubt in my mind that it is not possible simply to sweep it under the carpet by intensifying the competition.

By contrast, the more accessible the market and the freer the competition turns out to be, the more the state will be required to prevent concentration, to stop unfair and ruinous competition, socially pluck out insolvent companies, and promote sections of the population and markets weak in purchasing power. So that no *tabula rasa* occurs for service supplies of general economic interest, it should be ensured that basic supplies are guaranteed for wide sections of the population. After all, it is a question not just of minorities and marginal groups, but of the main body of customers.

I would like to stress once again that although the evolution of companies supplying services of general economic interest becoming more or less typical participants in the market is being accompanied by deregulating measures, the resulting problems of commercialization and concentration, on the one hand, and the guarantee of service supplies of general economic interest and future security, on the other, will require the bureaucratic definition of parameters by the legislator and statute maker. Where public sector tasks were managed by decentralized business agencies and companies in the past, central regulatory authorities will be responsible in future. The sought-after flexibility is unlikely to be obtained in this way.

Notes

- 1 See Peter Eichhorn, The Concept of the Market Economy and the Principle of Commonwealth: A New Field of Inquiry for Management Studies, in: *Europe in the Global Competition*, ed. by Sabine Urban, Wiesbaden/Germany 1997, pp. 145–161.
- 2 See Peter Eichhorn and Dorothea Greiling, EU-Policies towards Services of General Interest within the Framework of Public Management, paper presented at a symposium at York University, Toronto/Canada, 13/14 October 1999.
- 3 See Elio Borgonovi, Consequences of the Managerial Approach to Public-Service Delivery, in: *Stand und Perspektiven der öffentlichen Betriebswirtschaftslehre, Festschrift für Prof. Dr. Peter Eichhorn zur Vollendung des 60. Lebensjahres*, ed. by Dietmar Bräunig and Dorothea Greiling, Berlin/Germany 1999, pp. 66–75.

- 4 See Peter Eichhorn, Kundenorientierung und Personalmanagement in Unternehmen der Daseinsvorsorge (Client Orientation and Human Resource Management in Enterprises of General Interest), in: *Personalmanagement und Humanressourcen in öffentlichen, sozialwirtschaftlichen und genossenschaftlichen Unternehmen*, ed. by Wolf Leetz, Beiheft 25 der Zeitschrift für öffentliche und gemeinwirtschaftliche Unternehmen, Baden-Baden/Germany 1999, pp. 13–21.

Part III

The role of politics, law and economics in community well-being

5 Synergistic-role responses to public-sphere issues and governance

Partnerships among citizens,
private enterprises and
government administration

Katsumi Yorimoto

Synergistic-role responses to public-sphere issues

The private and public sphere

A variety of problems that arise in ordinary citizens' lives should be considered public-sphere issues (or alternatively 'social problems'.) The best examples are waste and recycling. It can certainly be considered reasonable to first ask individual citizens and households to reduce their waste and garbage, but such self-help efforts alone will clearly not be sufficient to solve the problems. If self-help efforts are called for, then public policies must also be implemented to make the most of and respond effectively to such efforts. The so-called administrative reform drive (toward less government) since 1980 has put great emphasis on the personal and private efforts of individual citizens and the private sector, and has paid little attention to the need to understand everyday and urban problems confronting citizens. The relationship between the private sector and the public sphere is not like a see-saw, where one end goes up whenever the other goes down.

Support for the public sphere by the private sector

The importance of the public sphere is clearly growing today. What we mean here by the public sphere is not necessarily the same as the public sector or public administration. Public administration certainly does occupy an extremely important space in dealing with the public sphere, but the public sphere does not automatically mean public administration. Needless to say, the public sphere is something that must be built and supported not only by the public sector but also by the private sector, that is, by individual citizens and private enterprise.

The public sphere can be divided into two portions: that which should be borne by the public sector (public administration, or the government

sector including local governments and the state) and that which should be dealt with by the private sector. The latter can be termed the private public sphere, in the sense that this public sphere shuns the involvement of the public sector wherever possible. In Japan, citizens and private enterprises do not necessarily have an adequate understanding of the idea of the private public sphere. The public sphere or public issues are almost automatically understood to be things that have to do with the government sector. People pay very little attention to this other public sphere. The private sector tends to call upon the government sector to do many things, and is sometimes given opportunities to participate in the formulation of policies by the government sector.

But private citizens and firms tend to have a lack of awareness that they, too, are principal players who need to take charge of some portion of the public sphere itself. In many cases, corporations make their presence known to the government sector through lobbying groups, but have not been active in creating and supporting the public sphere. Many firms believe that they contribute to society and relate to the public sphere through their own growth and expansion as corporate entities, with increased sales, through market mechanisms. Occasionally, enterprises may be forced by the government sector to pay heed to the public sphere, or may feel compelled to get more involved in the public sphere under pressure from neighbourhood movements or consumer activities. But they still seem uncomfortable or unfamiliar with the idea that they, too, are and should be principal players in carrying the weight of the public sphere.

The government, by contrast, concerned about unwanted increase of administrative activities and consequent fiscal collapse, has hoisted the banner of self-help and mutual help in the private sector and has called for the promotion of private-sector vitality. Still, questions remain over how much value the government has actually placed on private-sector activities, or what kinds of expectations it has placed on these in the public sphere. Quite a few problems remain unresolved: the government has failed to do away with many existing regulations on private-sector activities, such as unnecessary permits and approvals; many third-sector businesses and affiliated organizations, despite taking the form of private-sector corporate entities, effectively remain branch offices or outposts of the government sector; government involvement prevents public interest corporations from making full use of their strength as private entities; and the government has displayed a remarkable lack of sensitivity toward public-sphere activities through means such as taxation and other support measures.

Synergistic-role public policies

As stated at the outset, a variety of problems that arise in ordinary citizens' lives should be considered public-sphere issues that should be dealt with not just by the public sector, but also by two players in the private sector:

citizens and private enterprise. It is not simply a question of the government slimming down the scope of public-sphere problems with which it is involved. The public sector, while solving a host of existing institutional problems and practices which hinder the activities and development of the private sector, should also become more actively engaged in issues where private-sector activities must be supported, and this may call for greater rather than less government involvement.

How, then, should these three principal players shoulder their respective roles in responding to public-sphere problems? Public policy is precisely the mechanism that can provide a specific answer to this question. The role of public policy is to chart the best way toward the sharing and combining of the respective roles of citizens, corporations and public administration. Thus, citizens and firms should be participating in the processes of formulating and implementing public policies.

In doing so, the common goal for the three principal players should be the pursuit of a synergistic-role public policy which can discover the best combination of activities and roles for citizens, firms and administration to produce the greatest synergistic effect on each specific public-sphere issue. In the case of garbage and recycling, for instance, if corporations take sufficient care in the appropriate disposal and recycling of products in manufacturing and sales, recycling activities and garbage disposal processes carried out by citizens' groups, recycling businesses and municipal governments will be made much easier, allowing tremendous savings in time and labour as well as costs. The discussions above can be expressed by the following diagram in Figure 5.1.

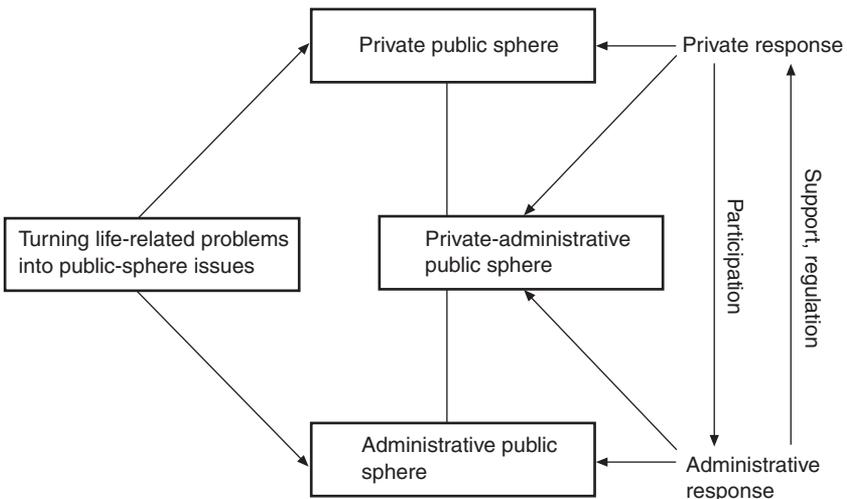


Figure 5.1 Making life-related problems into public-sphere issues, and administrative and private responses

Shift from public-private cooperation to cooperation among citizens, firms and administration

We have long heard calls for ‘role-sharing between the public and private sectors’ or ‘public-private cooperation’. Of late, the private sector has been seen as being composed of two separate entities – citizens and private enterprise: many have come to frame the issue as ‘cooperation among citizens, firms and administration’. This seems to have come about for three main reasons. First, with public interest rising in the contributions of private enterprises to society, it is thought that it is more appropriate to distinguish between firms and citizens in the private sector, in order to understand clearly firms’ social responsibilities and contributions. Second, corporations have long been targets of protest by local residents’ and consumer movements, rather than partners for cooperation. This perception was particularly strong in Japan’s era of high economic growth, when the nation went through a period of serious pollution and environmental destruction. In those years, many local governments viewed corporations as entities which needed to be subjected to administrative surveillance or regulation, but not as partners for cooperation. This tendency is not likely to disappear entirely unless pollution and environmental problems are completely resolved. But in the intervening years, firms have made progress in tackling pollution and environmental problems.

Moreover, as public interest has grown in the contributions companies can make to society, activists in neighbourhood or consumer movements have begun to change course, seeking cooperation and collaboration with firms wherever possible.

Third, a matter which is likely to gain in importance in the future, non-profit organizations (NPOs) and non-governmental organizations (NGOs) have come to make up the private sector along with citizens and private enterprises. NPOs and NGOs are diverse in terms of their objectives and activities, sizes and organizational set-ups, but it is certain that their presence will grow as players dealing with public-sphere issues. If so, the role of private enterprise in the private sector will have to be defined, naturally, not simply in terms of citizens or citizens’ groups, but also in terms of NPOs and NGOs.

Conditions for corporate citizenship

What makes private enterprise decisively different from other organizations in the private sector? Needless to say, the difference lies in the fact that firms conduct their activities with the creation of profit as their principal objective. In other words, we cannot discuss their existence without considering the factor of profitability. The next question then becomes how companies as profit-seeking players should define their corporate citizenship and contributions to society, as well as what they can do by way of sharing responsibilities in synergistic-role public policies.

The following relate to these points:

- 1 Companies should contribute to society as corporate citizens, first and foremost through their principal operations as corporate entities. For example, manufacturers should begin from the minimum social responsibility of abiding by laws and ordinances. They can then be called upon to further reinforce voluntary and energetic efforts toward resource and energy conservation, waste disposal, environmental management and recycling through the process of manufacturing and products themselves. In so doing, they can be expected to actively advocate synergistic-role public policy on issues requiring cooperation with consumers (citizens) and public administration. One good example of developments in this direction can be found in the styrene foam tray industry. With manufacturers themselves spearheading the move, firms, consumers and administration started moving toward the collection and reuse of trays, all performing their respective roles. From now on, we should consider the primary activity of firms to be to play a role in building an eco-society, and they should be regulated by that objective.
- 2 Enterprises are being asked, in addition to those activities considered to be their primary operations, to make voluntary and active contributions to various other areas such as welfare, art and culture, research, education, sports, nature and the environment, community building and support for developing countries, with the awareness that they are also members of the society.
- 3 Firms should prepare conditions and an environment both inside and outside themselves to allow them to respond to the expectations described in points 1 and 2 which have been placed on them.

The internal conditions involve issues related to business decision-making, management, auditing, assessment of management, participation of employees and/or consumers in management, leadership by industrial organizations and liaison with host communities.

The external conditions include existing legal and policy problems such as governmental regulations, guidance, encouragement and support, as well as consumer consciousness, assessment of corporate behaviour and management, and participation and cooperation in a variety of public-sphere problems.

Consumer participation in corporate activities

In relation to the discussions in the previous section, we need to focus our attention on the participation of citizens (consumers) in corporate activities. Corporations are private enterprises whose principal objective is profit-making, but their activities influence the lives of citizens and society

at large. In that sense, their activities have a considerable degree of public nature, a fact which can be felt on an everyday basis in such areas as waste and recycling or environmental problems.

This public nature of corporate activities provides us with a good rationale to argue for mechanisms or opportunities for citizens to participate more deeply in companies' decision-making and day-to-day operations. Companies themselves should also be making efforts to attain such consumer participation.

Nonetheless, the existing relationship between firms and consumers has largely been limited to those mediated by market mechanisms. In the past most companies, as long as they knew whether their products were selling well or not through market mechanisms, did not find it necessary to build links with consumers outside of these market relations.

The only contact that firms had with consumers outside market-based links were in such areas as surveys on the development and marketing of new products, and consumer tours of manufacturing plants or business offices. But these were a far cry from the idea of consumer participation in the decision-making of corporate activities or management. Some citizens' groups used shareholder meetings as a tool to allow ordinary stockholders to participate in management. Companies for their part took a very conservative attitude to these movements, as evidenced by the seemingly endless revelations of cosy ties between *sokaiya* (racketeers who obtain payments from firms in exchange for ensuring that shareholder meetings go smoothly) and corporate managers.

Another problem involving the relationship between firms and consumers is the low awareness on the part of consumers that they are principal players, who can have a great impact on the management and activities of companies through markets. I once heard a consumer activist saying at a symposium:

A consumer who purchases an environmentally-friendly product is acting exactly the same way as a voter who casts a ballot for a good candidate in an election. Thus, a consumer who decides against buying an environmentally-unfriendly product is acting like a voter who votes against a bad candidate in the election.

Indeed, poor market reception to products is the greatest potential threat to any business company, and consumers can thus influence corporations through actions on the markets. In reality, however, the eco-consciousness of consumers in Japan has not yet evolved into anything that can be likened to 'voter consciousness' in making purchase decisions.

At any rate, it is clear that many companies have recently begun to portray themselves as 'corporate citizens', working to become firms that can contribute to society and to be good members of the global community. If their wishes are genuine, these companies ought to be taking steps to

provide opportunities for citizens (consumers) to participate in their management, and should be conducting activities such as broader disclosure of corporate information and more dialogue between corporate managers and citizens. If companies shirk these responsibilities, the catch phrase of 'corporate citizenship' will prove to be empty and insincere.

Synergistic-role responses to public-sphere issues and governance

Eco-partnership and governance

The 'Eco-partnership Tokyo – Cultivating an Eco-society' conference was held at Tokyo International Forum in Yurakucho, Tokyo, from 26–29 May 1998. The meeting, called the World Conference on International Cooperation of Cities and Citizens, was cosponsored by the United Nations and the Tokyo Metropolitan Government, and drew the participation of more than 10,000 people. The participants included officials from national and local governments from all over the world, mayors, representatives of NGOs working on environmental problems and other relevant citizens' groups, companies and many foreign citizens.

This paper does not aim to discuss this large-scale conference in detail, but rather focuses on one new issue addressed at this meeting, which keenly captured my attention: the meaning of the term 'governance'.

I was one of the drafters of the closing statement of the Tokyo meeting, the Eco-Partnership Tokyo Declaration. That declaration contained the following passage:

We underline the importance of strengthening urban governance in resolving local environmental issues by respecting autonomy and enhancing capacity of all parties concerned. Also, in order to transform behaviors of producers and consumers into more sustainable patterns of production, consumption and disposal, appropriate and new rules should be established to encourage the use of economic instruments and social incentives. Furthermore, while seriously tackling with administrative reform, it is necessary to establish a framework of decentralization that would let local authorities and citizens run urban administration independently.

Local government and governance

One noteworthy term found in the above passage is 'governance'. According to dictionaries, governance means 'rule, management or control', and in Japanese it is sometimes translated as *tochi* which literally means 'rule'. This may be acceptable as a translated Japanese term, but recently, the term 'governance' is increasingly being used with a particular meaning that

is hard to convey using that Japanese term. This is particularly true when the term ‘local governance’ is used as distinct from the term ‘local government’. In such cases, local government refers to an entity for municipal administration which provides public services. It does not encompass the private sector, at least not in the ordinary use of the term, and simply means a governing body in the public sector.

By contrast, the term ‘local governance’ connotes an interrelationship among a whole range of roles and activities, not simply involving local governments and other public organizations, but also NGOs, NPOs, private enterprises and individual citizens working on a given public-sphere issue in a given region or municipality. Once again, the term government refers to the government sector, such as state and local authorities, and does not usually include the private sector.

While ‘local government’ collectively refers to a system of government organizations, institutions and activities in a given municipality, ‘local governance’ describes comprehensive mechanisms and activities through which both the government and non-government (private) sector deal with individual public-sphere problems (social problems) in a municipality; it thus involves the private sector as well as the third sector and other public-private mixed entities. Thus, the term ‘governance’, unlike ‘government’, covers the private sector’s involvement in dealing with public-sphere and social problems, and means that expectations are placed on private-sector activities and functions in the public sphere.

Recently in Japan, the importance of partnership and cooperation among citizens, enterprises and administration has come to be underlined more and more often. This suggests the growing significance of and greater expectations being placed on the public-sphere roles of citizens, citizens’ groups and private enterprises, as well as the government sector, in responding to public-sphere issues, whether they be welfare, environmental problems or community building. Local governance, indeed, is a question of self-governing capacity for building and managing the partnership and combination of roles among citizens, enterprises and administration in each municipality.

The passage in the Eco-partnership Tokyo Declaration cited above underscores the importance of strengthening ‘urban governance’. This drives home to us again the necessity of enhancing self-governing capacity in pursuing a viable partnership and combination of roles among citizens, private enterprises and administration when cities face the challenges of dealing with various environmental problems or of building an eco-society.

Autonomy and participation in governance

In the previous section, we explained that urban governance refers to the interrelationship in public-sphere activities between public- and private-sector entities, or the activities of a local government plus the public-sphere activities of the private sector.

Recently, many people have come to point increasingly to the importance of public-private cooperation, public-private role sharing and partnerships among citizens, enterprises and administration in dealing with administrative issues. Urban governance can be understood to mean the self-governing capacity and work to give concrete shape to the mechanisms and systems of activities for such public-sector cooperation or partnerships in each city (or urban municipality). If governance is to be recognized as such, participation by citizens will be a precondition for realizing it, for it is each municipality that devises mechanisms of governance and makes them work, and governance is not something that can be implanted or imposed from outside. Governance is in reality about the autonomy or self-governing capacity of a municipality, and therefore can never be discussed without citizen participation.

There are two routes through which citizens can participate in the self-rule of a municipality, or the formulation and implementation of policies of a local government: participation directly as individual citizens, or through citizens' groups.

The two routes of citizens' participation

The guarantees of the political rights of citizens to the self-rule of a local government under the Constitution, the Local Autonomy Law and other laws and ordinances, such as voting in elections and referendums, are for individuals, not for people working as groups or organizations of citizens. Individual citizens can also take part in various systems for citizens' participation created by local governments independently of legal provisions.

Citizen participation in local self-rule basically takes the form of direct participation through the exercise of voting rights or other means of participation, without the involvement of any form of mediation between the individual and local government. However, citizens' participation is not necessarily limited to direct participation by individuals. Citizens can also participate in local self-rule through groups they belong to or they are involved in. These groups range from residence-based organizations, such as neighbourhood associations (*chonaikai*) and neighbourhood self-governing bodies (*jichikai*), to functional organizations, such as welfare-related volunteer groups and groups working for the cause of environmental preservation. However, it is doubtful that sufficient research has been conducted toward understanding the overall picture of these citizens' groups or the memberships of citizens in such organizations.

For example, the average number of groups to which an average citizen belongs in communities is not known. However, it would not be far off the mark to assume that many citizens belong to at least one group, given the widespread networks of residence-based organizations in Japan, such as neighbourhood associations and neighbourhood self-governing bodies.

Meanwhile, most citizens' groups are not organized to become directly involved in municipal administration. Yet it is also true that even such groups do have opportunities to make requests and present their positions to local governments on issues related to the objectives and activities of their associations. In fact, citizens' groups quite often have contacts with local administrations through responding to and cooperating with questionnaires and various research polls, filing requests and making representations to government authorities and municipal assemblies, and responding to particular policy programmes and projects being carried out by their local governments. Moreover, some citizens' groups have representatives who sit on councils and committees advising the local governments.

As described above, quite a few citizens' groups go beyond the realm of being simply clubs or associations of enthusiasts, to include public or social interests in their objectives and activities. Citizens who belong to or are involved in some way or other in such organizations can be said to be participating in local self-rule through these groups.

Governance on the issue of plastic waste in Machida City: a case study in participatory-type and synergistic-role-type activities by private entities to tackle public problems

The problem of plastic waste disposal in Machida City

The efforts of Machida, a city in Metropolitan Tokyo (with a population of approximately 360,000 citizens) in the area of plastic waste is a good recent example of activities to tackle public problems through citizen participation and synergistic roles. In Japan, approximately 50 million tons of household plastic waste (including some of the commercial waste discharged by shops, etc.) is discarded every year. Most of it is collected and disposed of by municipalities (this amount includes waste brought into municipalities' waste disposal facilities by waste producers themselves or consigned to waste disposal businesses). There are several methods to dispose of plastic waste: incinerating it as combustible waste, burying it as incombustible waste, recycling it into oil or refuse-derived fuel (RDF), etc. Legally speaking, the choice of method is almost completely left in the hands of each municipality. As a result, there are a variety of methods for plastic waste disposal, differing from municipality to municipality.

Up until today, most plastic waste in Machida City has been incinerated at the city's facility. Recently, however, the City adopted a fundamental change in its policy on incineration method. The following points can be listed as the background of this change:

- 1 The concentration of dioxin released from the city's incinerator was not considered sufficiently low, although it does not exceed the national governmental standard.

- 2 Given this, questions on the incineration of plastic waste have arisen not only among citizens but also among city administrative officers in charge of disposal.
- 3 Interest among citizens has risen with regard to the reduction and prevention of waste generation generally (not only plastics), recycling (a concept which hereinafter will be considered to include re-use). Thus, the need for incineration has not been completely denied, but there are stronger views now that more effort should be put first into the reduction, avoidance and recycling of waste.
- 4 The Law for Promotion of Sorted Collection and Recycling of Containers and Packaging (hereinafter the Containers and Packaging Recycling Law) was established in 1995. According to this law, from 1 April 2000 municipalities will carry out the sorted collection of certain containers and packaging specified in the Law in accordance with certain standards, then store them after removing other types of substances (the storage unit in principle will be more than 10 tons). A trader in the business will then take charge of the stored plastic waste and recycle it. Therefore, if Machida City began a sorted collection and storage project for plastic containers and packaging, it would not need to dispose of it through incineration, and the effect would be to reduce the amount of dioxins generated.

Under these conditions, the city authorities, including the mayor, recently signalled their strengthened intention to stop the current disposal by incineration. At the time, however, they did not discuss what alternative method would be employed. To begin with, this selection could not be carried out by the city authorities alone. First of all, the city assembly needed to debate the issue. Not only that, but typically in Japan, when such a proposal is made, it is normal for the local government to set up an advisory committee to the mayor involving citizens, intellectuals, representatives of related industries and trade unions, and to refer the issue to this committee for advice. This kind of citizen participation is not legally required, but increasing numbers of municipalities are experimenting with such efforts. Machida City has become known as one of the most enthusiastic and pioneering cities in the country in terms of efforts to introduce citizen participation in various fields such as welfare and community-building. Needless to say, citizens' participation was called for in the policy discussion over plastic waste.

Mechanisms of citizen participation and activities

In January 1998, the Machida City Advisory Committee on Waste Reduction and Recycling was set up. The Committee was composed of twenty members selected by the city authorities from various fields. Among the members were the deputy mayor and a representative from the trade union

of city employees (a leader of the public cleansing service). Three members were selected from among people who responded to the invitation for public participation. It was decided that the secretariat functions would be undertaken by ten people selected from among the city's public cleansing service staff. I myself¹ was chosen to be the chairperson of the Committee.

At the first meeting, the mayor expressed his expectations concerning recycling and garbage collection, saying he hoped that the Committee would be able to set a new milestone from Machida City. Frankly speaking, the expectation that the Committee would be able to come up with a new disposal method (one that could be considered a 'milestone') seemed too high. But in fact, the Committee has shown the potential to respond to his expectations.

Tracing the development of the Committee's activities, plenary meetings, where all the twenty members are present, have been held almost once a month. Sub-committees were set up on issues such as plastic waste, garbage and industrial refuse, and each member belongs to at least one sub-committee (some belong to up to three sub-committees). The sub-committees also meet at least once a month. Both the plenary and sub-committees have visited facilities within the City, other cities and private companies, and hold discussions with related citizens' organizations, waste service companies or staff of city waste treatment facilities as the need arises. A private consultant was assigned to provide information and give advice to the Committee, and to produce documents. The costs were naturally borne by the City. Furthermore, almost all the materials distributed by the committee, and the meetings themselves, were made available to the public.

Outline of the new policy on plastics

In February 1999, through the activities mentioned above, the Committee compiled an interim report entitled 'On Future Measures for Plastic Waste'. The final report was scheduled to be submitted to the mayor in December 1999. In the meantime the Committee had been widely publicizing the interim report to citizens and related organizations, calling for their views and reactions, and had continued to re-examine the content of the report to better reflect the results of the publicity. It did not seem likely, however, that the gist of the measures for plastics provided in the interim report would need to be greatly revised.

The following is an outline of the interim report.

1 Basic concepts of measures on plastics

In order to control the generation of dioxins and other hazardous substances, and to further promote the reduction of waste and recycling, we should aim to recycle, rather than incinerate, all the plastic waste which is currently discharged and collected in Machida City.

In concrete terms:

- 1 Plastic waste which is used as containers and packaging (hereinafter 'plastic packages') should be collected separately from 'combustible waste' and recycled according to the Containers and Package Recycling Law. It is desirable to collect such items once a week, since the ratio of plastic packages is extremely high among total plastic waste.
- 2 Totally plastic waste other than plastic packages (hereinafter 'plastic products', with bulky items excluded), should be collected separately about once every 4 weeks, and recycled.
- 3 Purely plastic waste other than plastic packages, but which is considered large-sized waste because of its size, should be collected as 'large-sized waste' as in the past, and sorted and recycled.
- 4 Plastic contained in composite products which are included in the conventional 'incombustible waste' and 'large-sized waste' (hereinafter 'composite plastics') should be sorted and collected as before, and it is desirable to attempt to re-use and recycle it through repairing, dismantling and crushing.
- 5 With regard to PET bottles and trays, which have been recovered in cooperation between supermarkets and the City, it is desirable to take measures to increase recovery spots and to strengthen this system.
- 6 With regard to the methods of recycling of each type of plastic waste mentioned above, the top priority should be placed on material recycling. In cases where this is not feasible, a method imposing the least load on the environment should be selected.

As a premise for the above-mentioned measures, it is very important to work out measures to control the generation of plastic wastes (in manufacturing, selling and buying) together with citizens to reduce the amount of waste as much as possible.

Therefore, concrete measures to control waste generation must be promoted along with the above-mentioned measures against plastic waste. With regard to polyvinyl chloride products, which cause the generation of dioxins, in particular, it is necessary to consider measures to restrain their use in public construction works and to control their generation as much as possible.

2 Concrete methods of sorted collection of plastics

1 Methods of sorting, placing and collection

When carrying out the sorted collection of plastics, it is desirable to have them divided into 'plastic waste', 'package plastic', and 'plastic products', and to sort, place and collect each as follows.

A PLASTIC PACKAGE

- a The frequency of collection should be once a week. At present, combustible waste is collected three days a week, so one of these days should be allotted to package plastics, thus reducing the collection days for combustible wastes to two per week.
- b Package plastics should be left in a transparent or translucent bag. Supermarket bags should be acceptable as long as they are transparent or translucent.
- c For the waste sorted and stored by households, guidance should be given to them to remove the contents and water as thoroughly as possible.

B PLASTIC PRODUCTS

- a The frequency of collection should be once every 4 weeks, reducing the collection days for incombustible waste from the current twice per month to once per month.
 - b Plastic products should be left in a transparent or translucent bag. Supermarket bags should be acceptable as long as they are transparent or translucent.
 - c Such waste should be put at current garbage stations.
- 2 Development of intermediate waste facilities
- It will be necessary to store a certain amount of plastic waste which has been collected separately, after it has been compressed and processed by the City. Therefore, a space will be needed where the whole amount of plastic waste discharged and collected in a week from the whole of Machida City can be transported and stored, and to develop a facility to compress and process them. Efforts must be made to ensure the greatest possible reduction in the load on the surrounding environment of the instalment and operation of such facilities.
- 3 Contractor for recycling of plastic wastes
- a The plan must be carried out under the premise that package plastic waste will be delivered to a corporation designated according to the Package Recycling Law from April 2000.
 - b Plastic products should be the top priority issue, and efforts should be continued to secure a contractor as soon as possible and examine how the City can effectively use them.

Special features of the 'new Machida method' as a synergistic role-type system

The new system for the disposal and recycling of waste as outlined above can be termed the 'new Machida method', and its basic features summarized as follows.

- 1 Household plastic waste will be divided into two kinds, namely package plastics and plastic products, which will be collected by the City and recycled rather than incinerated.
- 2 With regard to package plastics, companies in the industry must take responsibility for collecting and recycling them in a way that accords with legal regulations.
- 3 The citizens of Machida City will dispose of plastic waste separately in accordance with set rules, and the City will collect them, bearing all the costs required for the operations before the industry takes charge of them. These operations will include collection, reselecting plastic wastes if necessary (in order to remove separate substances after collection), packing and storage.
- 4 The costs the City will have to bear will be considerable. One of the problems of the Containers and Packaging Recycling Law is the large cost burdens that municipalities will have to bear, and municipalities and citizens' organizations have been critical of it because these costs will place additional pressure on local finances. In fact, quite a few municipalities have taken a negative stance toward the implementation of the Law. The provisions of the Law are non-binding, so it is up to each municipality to decide whether or not to apply it.

Needless to say, cost has become the greatest issue for Machida City. However, if the disposal of plastic waste is left as it is, using the excuse of financial problems, then the environmental and waste problems will be left unsolved. It is conceivable that the Central Government might make a policy banning or ordering a reduction by half in the use of plastic packages, but it would be difficult, in fact, to boldly apply such public controls. Furthermore, such an approach would be limited by the ability of individual municipalities to apply public control over economic activities.

In this situation, the Committee conceived of the following measures or urgent plans:

- 1 The City will reduce the collection of combustible household waste from the current three times a week to just two. The personnel and equipment costs saved from this reduction will be used as a resource, as mentioned in the Outline, to finance the sorted collection of package plastics which the City will begin once a week.
- 2 The collection of incombustible household waste, which is currently done once a week, will be reduced to once every two weeks. Through this, just as in (1), the saved personnel and equipment costs will be used as a resource to finance the cost of collecting product plastics, which the City will begin once a month.

These measures worked out by the Committee will reduce the cost of the current collection of both combustible and incombustible household

waste, and allow the funds created to be allocated to the costs of sorted collection of two kinds of plastic wastes. Through this, cost increases will be held down as much as possible. In other words, the characteristic of this measure lies in an effort to realize ‘the new Machida method’. This means that by lowering the level of service (the number of household waste collection days), new financial burdens on the City will be mitigated.

Conclusion: results of participatory local governance

If the ‘new Machida method’ becomes a reality in the near future, it will become worthy of attention not only in Japan but throughout the world, as it will form a type of tripartite cooperation system between citizens (consumers), administration (Machida City) and businesses. There is no question that it would be a highly developed synergistic-role social system. This is because first, the citizens will be required to sort their household waste according to the following basic classification:

- 1 combustible waste (the Raw Garbage Subcommittee has been examining a system of collecting raw garbage separately from other combustible waste in order to be able to make compost from the raw garbage);
- 2 incombustible waste;
- 3 City designated recyclable waste such as bottles and cans;
- 4 package plastic waste;
- 5 product plastic waste;
- 6 dangerous substances (batteries, etc.);
- 7 large-sized waste.

Thus, the requirement on citizens in terms of cooperation is that they put out their waste according to these classifications. In addition to this, citizens are expected to cooperate in a variety of activities being conducted by the private sector to collect renewable resources, and by shops to collect dangerous substances such as batteries. In this way, citizens are being called upon to cooperate in various recycling activities and appropriate waste disposal projects which are being carried out by the public sector, private sector and the third sector. This set-up should be applied to all areas around the country, although there may be differences in degree. If Machida City begins the separate collection of two kinds of plastic waste, the level of sorting required of citizens will probably become one of the highest not only in Japan but anywhere in the world.

Cooperation on such an advanced level of sorted collection will be a considerable burden for the citizens,² and in fact, there have been not a few critical voices. Problems concerning the appropriate range, content and rules for citizens’ cooperation in sorted collection are always seen when recycling projects using sorted collection are implemented.

I would like to emphasize that sorted waste collection and citizens' cooperation in sorting are essential for building public projects of a synergistic-role type. What is more important, however, are the efforts of administrations and waste service companies to respond to this cooperation by citizens, and to make the best use of it. The local governments and waste service companies must endeavour to conduct appropriate disposal and recycling of the waste and renewable resources citizens put out in accordance with designated rules. By doing this, a synergy of the roles played by the citizens, companies and local governments, or in other words the multiplication of each role, becomes possible. Through this, a project with large synergistic effects becomes realized. Furthermore, the positive results obtained through synergistic roles, or in other words all the fruits seen in the improvement of waste problems and environmental problems, promotion of recycling and resource saving, and reduction of project costs, must be returned to the citizens.

If these ideas can become reality, it will be the result of governance realized through the efforts of three types of citizens, i.e. consumers, businesses and public employees, through the Committee.

Notes

- 1 I am not a resident of Machida City, but was asked by the City government to sit on its Advisory Committee on Waste Reduction and Recycling, since I am known as a researcher on waste problems.
- 2 An experiment in the sorted collection of plastic wastes, as proposed by the Committee, began in April 1999 in one district of the city. The City conducted a questionnaire survey of 1,000 residents, randomly sampled from the district. Of the 395 respondents, as many as 96 per cent were in favour of this sorted collection (*Gomi-Nai News* (No Waste News), No. 3, published by the Machida City Advisory Committee on Waste Reduction and Recycling).

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6 On the evolution of new rules

The case of environmental policies – a comment on Katsumi Yorimoto’s paper ‘Building a Society of “Synergistic Roles” and Governance’

Raimund Bleischwitz

Introduction

Some thirty years have passed since Garret Hardin’s influential article ‘The Tragedy of the Commons’. Many attempts have been made to develop a better understanding of users, their decisions and the various impacts of their actions. In general, market economies and well-designed institutions have demonstrated enormous flexibility and effectiveness in adapting to challenges of overuse and potential destruction. More recently, the global environmental common goods, such as the earth’s atmosphere and biodiversity, have received a high level of attention. Many researchers propose that, in order to prevent a dangerous climate change, for instance, a reduction of greenhouse gases by some 50 to 80 per cent by the middle of the twenty-first century will be needed. As a very first step, the Framework Convention on Climate Change (UNFCCC) has led to an agreement for a moderate reduction of 8 per cent by the year 2010 for the EU and of 6 per cent for Japan. Nevertheless, the global demand for energy is still increasing, and any redesign of the energy system from fossil fuels towards energy efficient, solar energy and other sources will take decades of change. Dealing with these new challenges seems especially difficult, as the amount of interaction which has to be coordinated is unprecedentedly high.

Seen on a broader basis, environmental policy has to grasp at developing rules¹ for solutions. The solutions themselves have to be implemented by business and society and are, thus, beyond the scope of government. A closer look might even demonstrate that business and society are already searching for solutions, but that policies are apparently dragging behind. Recalling the different success stories of ‘Factor Four’ increases in eco-efficiency, it seems that this side of the coin is closer to reality than a top-down regulatory perspective. Parts of business and society are ready to proceed and have started to do so but, in order to maintain their efforts and to make it profitable to business in the long run, appropriate rules are needed. Indeed, such rules should be as synergistic as possible. This is why

research must address *how* these rules emerge, how they change over time, to what extent a rational design is possible and which institutional mechanisms are best at supporting the activities of business and society.

The pessimistic Hardin view that users are inevitably led to destroy the commons is based on a model that assumes that all individuals are selfish, rule-free and maximizers of their short-run utilities. This model explains why markets facilitate an efficient allocation of private goods and services, and it is strongly supported by empirical and computer-based data from open, competitive markets in industrial societies. However, predictions based on this model fall short in explaining more radical *innovations of the Schumpeter type* which typically involve completely new patterns of production. They are also not supported by research in which individuals face a common good problem and are able to communicate new rules. Elinor Ostrom has found quite an amazing number of examples of *co-operation among individuals* relating to the sustainable use of common goods. Both observations lead us to query learning processes, in order to approach questions on the evolution of rules.

Learning processes in the evolution of rules

Learning processes are at the very bottom of innovations and other processes of change. If all humans were perfect, they would behave like optimizing machines, equipped with perfect knowledge and able to foresee whatever is happening in the markets, in policy circles and society. Fortunately or not, humans are not perfect. They learn by processing information or, more precisely, by imitation and experience, by developing routines, and by more fundamental learning processes. In other words: learning is strictly *subjective*. There is no black box that has to be filled and there is no magic computer that enables humans always to find optimal solutions. Decision-makers often follow rules-of-thumb, and they rely on existing networks of information flow and economic partnerships. The resulting decisions are *satisficing* (as Herbert Simon has put it), and optimal decisions are rather the exception.

For markets and technologies, subjective learning processes explain to a large degree phenomena like *path-dependency*, as described by Paul David and others. It chiefly means that history and cognitive processes play an important role when technologies change. Seen from an economic perspective, using and continuously improving existing technologies allows for economies of scale, resulting from reduced production costs and increased learning curves. New technologies or, furthermore, a shift towards a new paradigm bears a high risk of sunk costs, as information about their development and their market demand is – by definition – largely unknown. Only when incremental progress is no longer feasible are companies finally forced to shift to another trajectory. Processes of change thus, first, tend to be discontinuous and, second, tend to differ from time

to time and from region to region. Competition serves as both process of discovery and of selection, and is itself driven by subjective learning processes (Hayek 1945).

Using existing rules may be seen as a necessary prerequisite for any economic process. The question is, whether rules evolve primarily via the markets, in analogy to new products or services, or whether they are produced by factors primarily outside markets. Here, the distinction between *routine learning* and *fundamental learning* made by Hansjoerg Siegenthaler seems of particular importance. Routine learning is dedicated to using existing rules including their smooth adaptation due to continuous improvements. There is no doubt that markets are doing well in connecting information and transforming it into goods and services as long as existing rules can fulfil their role as a steering and performing mechanism. The question remains, what happens

- if existing rules do not apply to new problems,
- if their information processing capacity is insufficient, or
- if they cannot guide the search for solutions?

It is in exactly such a situation that the processes of fundamental learning must commence. Individual rationality is not capable of creating new rules. There is no epistemological or cognitive tool available to enable individuals to design new rules that might apply to a larger context. According to Kenneth Arrow, single organizations are faced with similar problems, as organizations tend to develop their own specific code based on earlier investments into a system of specific rules. Who, then, is the producer of new rules, and how do they diffuse in society?

Fundamental learning processes

A straightforward answer is, 'let's come together'. New rules are developed by fundamental learning processes. Such processes rely heavily on communication or, more precisely, on understanding the problem as well as on developing and testing new rules. In practical terms, it means the exchange of analysis, the development of new orientation, and it might even include tentative thoughts about strategies. A proper mix of individuals, organizational representatives, as well as of competences and skills is thus a crucial condition for any success. During the process, a sound and reliable management integrating different perspectives, working with (partly) shared mental models, dealing fairly with conflicts and aiming at common solutions are critical elements. New rules must be designed and weighed extremely carefully outside markets within such groups of cooperative learning. Afterwards they still have to meet their reality test. Here, markets and the concrete conditions of society are back in the game. A preliminary test on niche markets provides an important

intermediate step towards a full release on national and international markets.

It will easily be recognized that the ‘synergistic rules’ Katsumi Yorimoto described in his paper fit well into such processes of fundamental learning. But some analytical consequences still have to be pointed out. One relates to government. It seems very unlikely that government possesses all the information necessary to steer business and society in a certain direction (e.g. to recycle). Government’s comparative advantage in knowledge is rather of targets and frames for preservation of the commons, but it is especially weak regarding the options for action on the micro level and their coordination. At the latter level, markets can be expected to work better. Markets are non-substitutable coordination and allocation mechanisms as soon as the targets and framing principles become clear. Government is thus responsible for setting the framework conditions for markets in finding and managing solutions. Society is a critical factor in both areas, resulting from its different roles as voter, employee and consumer. Having underlined these different responsibilities, one should remember that the processes of setting targets and finding instruments are interrelated: each side has to cooperate. Such cooperation is not meant in the sense of integration, but rather in the sense of mutual interdependence. Synergistic rules can evolve if they are properly designed outside markets with a view to harnessing market forces later and with the possibility of adapting over time. Seen in this way, quarrels between economics and other social sciences about what comes first, markets, politics, law or society are outlandish. My point is similar to those of Albert Hirschman that the connection is characterized by on-and-off factors, with each activity functioning at a proper time and in a proper manner.

The case of waste management and environmental policies

Perhaps the process of evolving rules in times of fundamental change becomes clearer considering one example: waste management. Indeed, using resources only to the extent needed is nothing but sound business. Waste avoidance and recycling is thus rational economic behaviour. But recalling Hardin’s ‘Tragedy of the Commons’ and taking into account the serious warnings of scientists about the state of the environment, one might take a closer look at limited disposal capacities, limited resources and, in particular, limited carrying capacities of eco-systems to absorb emissions and other wasteful substances produced by private actors. A need for management and policies begins when markets, business and private households routinely produce negative external effects which endanger environmental commons. Thus, a fundamental learning process surrounding new targets, frameworks, rules and instruments has to begin. One conclusion to be drawn for policy makers from research is that only if

the participants share a critical minimum understanding about the structure of the problem is the process likely to succeed. Waste management and policies differ significantly if they focus, on the one hand, solely on disposal problems or, on the other hand, take into account the *broader context* of saving scarce resources, contributing to lower overall emission levels, and intervening less in natural systems.

In Germany, policy has undertaken an important step in formulating integrated environmental policies by reformulating existing waste law into a *Waste Avoidance, Recycling and Disposal Act* (Kreislaufwirtschafts/Abfallgesetz) which came into force on 7 October 1996. It enlarges the waste concept by including those substances, surpluses and residues, which are neither deliberately produced nor used for any purpose. The cornerstones of the new legislation are:

- consistent application of the Polluter Pays Principle;
- creation of a prevention-oriented hierarchy of obligations (avoidance before thermal or material recycling);
- producers' responsibility for their products (to be reinforced by statutory order);
- extending opportunities for the privatization of waste disposal.

In addition, unavoidable waste must be recycled in an environmentally acceptable way. Thermal and material recycling are equally permissible, with the best option being investigated in each individual case. The federal government is, nevertheless, authorized to lay down the most environmentally sound manner for individual forms in statutory order. Thermal recycling is only permissible where the waste has a relatively high caloric value (at least 11,000 kJ/kg), the furnace operates at least 75 per cent thermal efficiency and the heat gained is used by the recycler or delivered to third parties.

The construction of the Waste Avoidance, Recycling and Disposal Act looks at a first glance like an almost ideal way of shifting from pure disposal management to comprehensive solutions. It allows private waste businesses to be profitable and it should also lead to manifold, decentralized solutions, including the development of synergistic rules between producers and users of recyclable materials. Three years after the Act came into force, however, the expected goldrush in the recycling industry has not yet appeared. What are the reasons? In brief, three weaknesses appear to be important: (1) prices, (2) the EU internal market, and (3) uncertainties about the new role of the government.

With regard to *prices*, the real economic conditions are clearly misleading. Prices for most natural resources are stagnating or even decreasing, whereas prices for disposal have declined sharply. Against this background, disposal makes more sense than material recycling and waste avoidance by using less natural resources. The *EU internal market*

currently reinforces economic distortions, as thermal recycling options outside Germany have become extremely cheap. This coincides with widely different environmental standards for recycling facilities in the EU. Regarding the *new role of the government*, it is still unclear which areas local authorities will make use of as far as their monitoring and controlling responsibilities are concerned, as well as whether the government will produce more concrete directives. So far, the intensity and scope of the waste regulation provide only partially clear signals. Under these conditions, recycling and waste avoidance industries tend to postpone their investments.

What would be the consequences for new public management in the waste sector, or for a change from the positive to the regulatory state (as Giandomenico Majone puts it)? One consequence is clear: policies, be they lean or of the old-fashioned command-and-control style, cannot prevail against prices. Using *economic incentives* would therefore be the rationale for a better environmental policy. A moderate, but continuous increase in the prices for natural resources would provide an important signal to each economic actor to devote his/her activities to waste avoidance and recycling. Only under such conditions does the observation of Nobel prize winner Friedrich von Hayek about the effectiveness of prices to communicate between remote corners of entire economies demonstrate its superiority. If the density of regulation declines, using economic incentives should become the natural twin of new public management for the production and preservation of common goods. Ideally, the aim should be a moderate but steady increase in the real prices of resources of the order of roughly 5 per cent yearly. If an ecological tax reform is designed to meet such objectives, lowering the level of other taxes at the same rate (or even at a higher rate) would be good governance.

Recalling the introductory statements about the subjectivity of learning processes, prices alone cannot suffice. Price signals need to be decoded and translated. Governmental activities should aim primarily at *enabling* society and business to produce and preserve common goods. In this sense, my last remarks will focus on two bottom-up activities: ecological 'eco'-efficiency and ecological 'eco'-industrial parks.

Eco-efficiency means producing more value while using less nature. By connecting economic rationality with ecological indicators and environmental targets, it assists companies in their quest for continuous improvements in minimizing their use of resources. It encourages creative strategies of preventative management by integrating environmental considerations throughout the whole life cycle and promotes an active shift from a certain product to services. In doing so, it involves many stakeholders and creates tangible economic benefits. Companies actively enhancing eco-efficiency are able to improve their product design, procurement, manufacturing processes, product maintenance and their customer relationships. No wonder then that the concept gains – in one form or another – more and

more attention. The magazine *Harvard Business Review* has recently underlined the profitability of such a new management philosophy (Lovins *et al.* 1999).

Interestingly enough, eco-efficiency has a strong bond to consumer demand and societal values. Consumers are relevant for the demand of quality goods, energy-efficient applications and their individual use. In more general terms, they are also important for modern growth markets like software appliances and tourism. The principles of eco-efficiency are not in opposition to sufficiency and sustainable civilization, but rather a supporting and co-evolutionary activity. A new driving force of wealth might consist of eco-efficiency, conscious consumption and a permanent substitution of energy and materials to human and social capital. Increasing eco-efficiency might hence facilitate new models of wealth based upon cooperation, learning, solidarity, tranquillity and prosperity in time (rather than in products).

Eco-industrial parks are attempting to create a local district where innovation, system renewal and cooperation evolve in a market-based economy. They bring together actors from different businesses and public policy with the aim of developing rules about trading environmental goods and closing material cycles. A well-publicized example of industrial symbiosis is found in Kalundborg, an industrial area on the Danish coast where sulphur by-products, waste heat and steam, recyclable materials, etc. are used by other companies. More eco-industrial parks are spreading in the USA, where former Vice-President Al Gore launched an initiative in the context of the US National Sustainability Council. German cities or regions are not yet systematically exploring the possibilities of eco-industrial parks, although many stimulating activities exist in the context of Local Agenda 21 committees.²

Learning and innovation on the agenda of new public management research

To sum up, mechanisms of learning and innovation are indispensable analytical tools for any policy design. In research terms, this is clearly a call for interdisciplinary work in the social sciences. Economic contributions might come from the economics of information, learning and innovation. In particular, evolutionary and new institutional economics provide interesting points of departure for any cooperation with other social sciences. The on-and-off connection between market dynamics and the evolution of rules is of the utmost importance for research about economic policy and new public management.

Notes

- 1 Throughout the whole paper I shall refer to *rules* as all the procedures linking action and some representation of the social environment. In turn, representations are likely to involve relations between environmental states and variables and require the fulfilment of certain conditions (IF-THEN rules). It is a familiar definition in cognitive psychology; see also Dosi *et al.* 1999, p. 6.
- 2 Local Agenda 21 is a sustainable cities programme, adopted at the Earth Summit in Rio de Janeiro in 1992.

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7 A practical model of community well-being

A case study of new public management in Japan

Sadao Tamura

Introduction

Some 30 years ago, I was studying modern economics, which is based on the methodology of reductionism. At that time, however, I happened to have an opportunity to become involved in medicine, and in the years since then I have placed the emphasis of my research on seeking the potential synergistic effects of a fusion of economics and medicine. This attempt to fuse economics, which focuses on materials, with medicine, which focuses on people, has proven to be a terribly difficult task for me.

In the years when I first began my research, an American television show called ‘Mission Impossible’ was being broadcast in Japan. This show was the story of a group of professionals who cooperated together to brilliantly overcome the difficult missions they were given. I can still remember thinking about ‘Mission Impossible’ to encourage myself to continue my work when I encountered difficulties. Therefore, I would like to refer to all of you who have gathered here from the United States, Europe and Japan, as challengers recruited into a Mission Impossible. In other words, our mission today is to explore the untrodden field of the symbiosis of success of government and success of the market, and simultaneously seek a fusion of reductionism and holism through interdisciplinary studies. In the years since the breaking down of the Berlin Wall here in Germany 10 years ago, we have witnessed the collapse of the socialist economies on the one hand, but, on the other, face the reality that the capitalist economies themselves are not in perfect shape. It is precisely because we live in an era of such chaos that the search for the symbiosis of government successes and market successes has such significance.

The twentieth century was biased toward the values of neo-liberalism and the scientific methodology of reductionism, and thanks to this we were able to attain economic prosperity, particularly in the developed countries. On the other hand, these same values have now brought us many evils. For instance, the United States is now in the middle of a historic economic boom, but in the shadows of this we find increasing gaps between the rich and the poor, and a rise in crimes such as the shooting incidents that have

plagued that nation. Another example was the accident which occurred at a nuclear fuel processing plant in Tokaimura in Japan. It can be seen as a natural consequence of the pursuit of economic efficiency at the expense of safety. In order to overcome such problems, I believe that we need to link new values, freed from the overly strong focus on materials and the monotonous methodology of modern science which is both unitary and short-sighted, with a knowledge of human behaviour based on reflection of the past and insight into the future. We can tentatively term this linkage of new values and knowledge of behaviour as 'interdisciplinary knowledge'. At my own university, in the belief that we would need the participation of scholars from a variety of fields to be able to pursue this interdisciplinary knowledge, we formed the Waseda Research Committee on Symbiosis, where we have conducted interdisciplinary studies aimed at the 'symbiosis of success of government and success of the market'. We planned this symposium in the hope of deepening our work through global perspectives.

We would like to realize the symbiosis of success of government and success of the market, and the achievement of community well-being. We consider community to be the cooperation of regional level society, national level society and global level society, which are made up of the basic unit of the individual household. In other words, individuals, with the household as a foothold, work cooperatively within the division of roles in industry, government and non-profit organizations, to realize well-being at the regional level. Likewise, each region joins together to realize well-being on a national level, and each nation joins together to realize well-being on a global level. These are the rules of the creation of culture. When looking at these rules for the achievement of human well-being, through the eyes of the history of social, political and economic systems, we see that we are faced with the following situation: the economics of socialism have collapsed, but neither is capitalism a perfect system. This is the background for the development of the main theme of this symposium, global interdisciplinary research for new public management.

Further, in the formation of rules for the achievement of community well-being, as defined above, the symbiosis of government and market are necessary. Moreover, working cooperation within the division of roles between the public, the private and bureaucracy is necessary to this symbiosis.

In this paper I will first refer to my encounter with medical science, and then explain demonstrative studies on community well-being, which were done using the integration of medical science and economics. I met two medical scientists while I was studying economics. One is Dr. Taro Takemi, a medical doctor as well as a human ecologist, and the other is Dr. Hajime Sugita. Dr. Takemi taught me about human survival order and positive health, and from Dr. Sugita I learned about multichannel medical systems, a practical development of the former.

Now, I would like to share with you what I have learned and demonstratively studied.

Taro Takemi's ideas of the human survival order and of positive health development

I would like to begin by explaining the basic elements of Takemi's ideas of human survival order and positive health development.

Dr. Takemi attempts to explain the human survival order by dividing it into a micro order and a macro order, analysing each, and integrating them. With regard to the micro order, as shown in Figure 7.1, he places molecular biology at the base, and argues that DNA and RNA exist on a time axis, i.e. present, past and future. He states the following:

All living things have been influenced by the past, evolved to their present state as their DNA went through a certain process of change and adaptation, and will pass this on to future generations. It is a very interesting phenomenon that what DNA demands here is previously prepared and immediately supplied by RNA. I think this can be called a 'reflection from the future'.... This concept of 'reflection from the future' does not exist in the social sciences.

Next, I would like to examine Takemi's idea of a macro order of human survival in relation to the micro order. Adaptation and evolution to the natural environment by the biological society shown on the right side of Figure 7.2 represent the micro survival order, while the adaptation and evolution of DNA and RNA to culture, social environment and economy in the historical society on the left side represent the macro survival order.

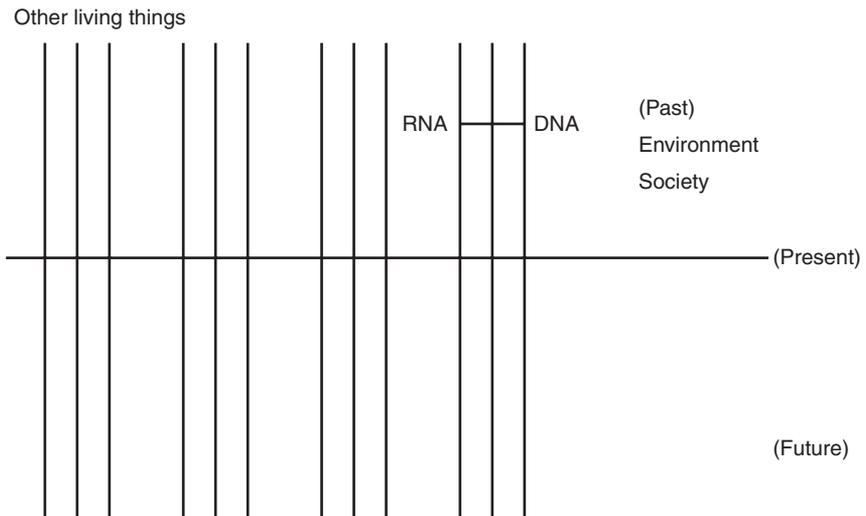


Figure 7.1 The micro survival order

Source: Taro Takemi, 'Science for Human Survival and Bioethics', *Sophia Life Science Bulletin*, Vol. 2, 1983.

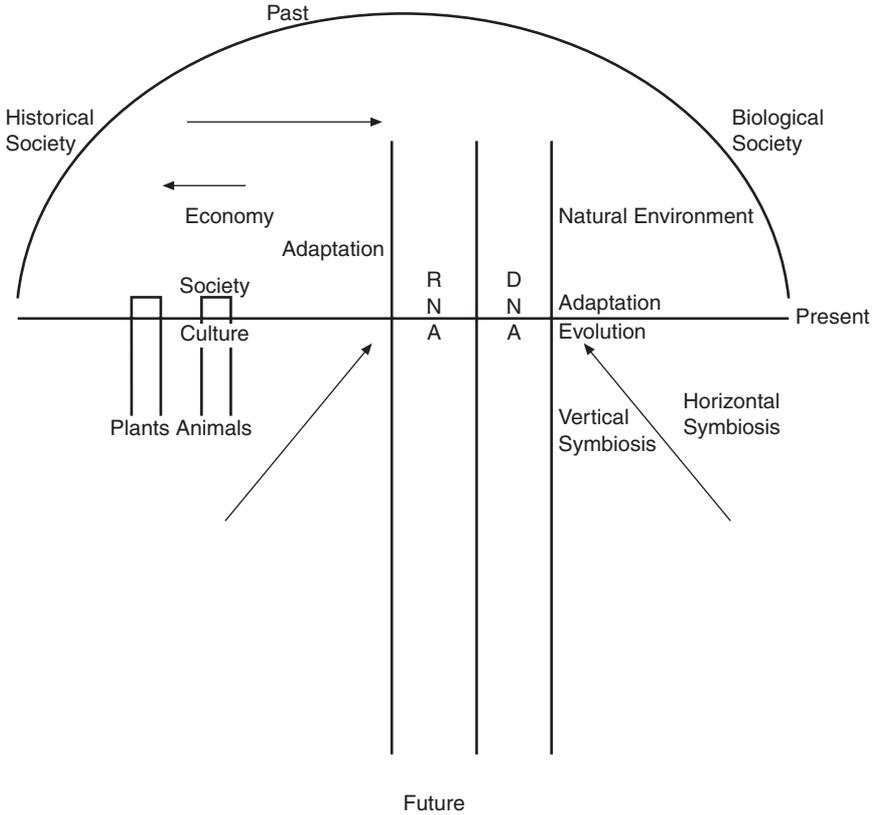


Figure 7.2 The macro survival order observed in relation to the micro survival order

Source: Taro Takemi, 'Development and Distribution of Medical Care Resources', *The Journal of the Japan Medical Association*, 72(2), 1974.

Among these micro and macro orders of survival, Takemi describes horizontal survival (the symbiosis of biological society and historical society) as an important factor, along with vertical symbiosis (reflection from the future). Commenting on the adjustment of these two orders, he states:

There are cases of natural adjustment and there are other various types of adjustments as groups. In this way a new science called 'biopolitics' has emerged. In terms of the human survival order there are biological orders, social orders and political orders. Among these different orders, biological factors must be given great weight, but it seems they have not been sufficiently valued up until the present.

(Takemi, 1965)

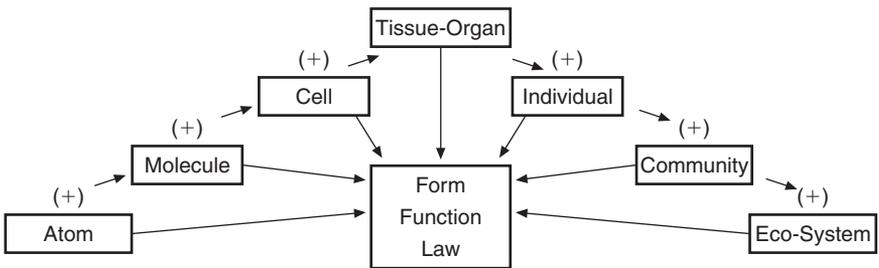
He lists three basic activities of biological factors: (1) metabolism of living entities, (2) reproduction, and (3) adaptation to the environment. These three factors are considered to form a new form of ‘homeostasis’ (homeostasis combined with human evolution) along with the above-mentioned vertical and horizontal symbiosis. He has not, however, fully explained this type of idea.

On the basis of the above-mentioned idea of micro and macro orders of human survival, Takemi draws an anatomical chart of the human survival order, as seen in Figure 7.3. The arrows show consistent flows from the level of the atom to the eco-system. This does not indicate reductionism, but as (+) symbols are shown between each factor (adjustment functions which link each factor), the chart represents the adaptative holism of the micro and macro orders of human survival, or in other words a fusion of reductionism and holism. The adjustment function of the (+) symbol can be assumed to involve (1) metabolism, (2) reproduction and (3) adaptation to the environment on the basis of the above-mentioned vertical and horizontal symbiosis of human survival. It is the author’s understanding that this chart clearly demonstrates the homeostasis and evolution of life, humanity and society.

Next, I will review Takemi’s idea of the development of positive health by quoting an excerpt from his 1965 work *Anata no kenko*. Takemi explains positive health and comprehensive medical care as follows.

In old times *iryō* (medicine or medical care) was considered as a means to cure illnesses. It emerged from the concept of classical pathology. Today, however, a concept of medical care which aims at positive health is becoming the commonly accepted idea in the world.

To be healthy both physically and mentally means to always be in a condition where one can further promote one’s degree of health. Today, as the concept of medical care has been thus expanded, medical care has come to be expressed in the concept of comprehensive medical care. Accordingly, in this concept medicine has come to



Note: (+) shows adjustment factors

Figure 7.3 Anatomical chart of the human survival order

include all areas which are applied socially. In other words it has become necessary to consider various states, starting from the promotion of health in healthy individuals, the prevention of health failure, measures for sick individuals, recovery from health failures, initial treatment, etc. From this, new sciences have emerged, such as health management, as well as industrial health, and medical care with a special purpose such as a response to industrialization.

Takemi gave the following explanation of the relationship between the individual and society:

In order to build a system for the collective protection of human health as public health, it has become necessary to consider a great deal about the characteristics of the community, including international cooperation, regional or community-level cooperation. . . . It has become extremely important to understand simultaneously the regional characteristics, the degree of health of the people in the particular community, and the process through which their health has been damaged. The new science of human ecology emerged with such a purpose. It attempts to grasp human health in relation to the individual within the community or the group within the community, but the fact that this ecological factor is the basis for the medical system has not yet been well understood in Japan.

Next, I would like to explain practical activities, which have been conducted in the Oita region (Kyushu, southern Japan) toward a new welfare system based on Takemi's philosophy of human survival order and positive health development.

Historical observation of multichannel medical system in Oita, Japan

Table 7.1 shows socio-economic indicators of Oita City. The population is about 435,327. The total income per household is about 595,098 yen. Savings per household are about 128,000 yen.

Table 7.1 Socio-economic indicators of Oita City, 1995

Population	435,327
Number of households	165,800
Working population	219,092
Number of institutions employing personnel (private and government)	20,550
Consumer expenditure per household (yen per month)	463,370
Total income per household (yen per month)	595,098
Number of doctors	761
Annual financial expenditure of Oita City (kyen)	142,868,154

Figure 7.4 shows the way the Multichannel Medical System, or MMS Plan, is based on ten systems, ranging from the Diagnostic System, to the Study and Training System for Paramedical Workers and Doctors. Each of these systems is designed for their respective functions.

A system corresponding to ‘comprehensive medical treatment’ was introduced in compliance with the changes in the general concept of medical treatment, and this has been completed.

Figure 7.5 shows the Oita City Association Hospital and the Accumulation of Positive Health Technology. It presents the Multichannel Medical System from another point of view. Dr. Takemi designed and proposed Medical Association Hospital and Oita Regional Positive Health Committee.

Basic features of Multichannel Medical System

Figure 7.6 shows the Basic Model of Multichannel Medical System explained in Figure 7.4 and Figure 7.5. From the top are the characteristics of comprehensive medical care, including medical research planning and health education planning, making this a system security founded in preventative planning. These are then applied throughout the life cycle of the individual, both in the home and the workplace, at the mother and child health, industrial health and adult health levels. This system is designed not to end with one generation, but to continue on through the existence

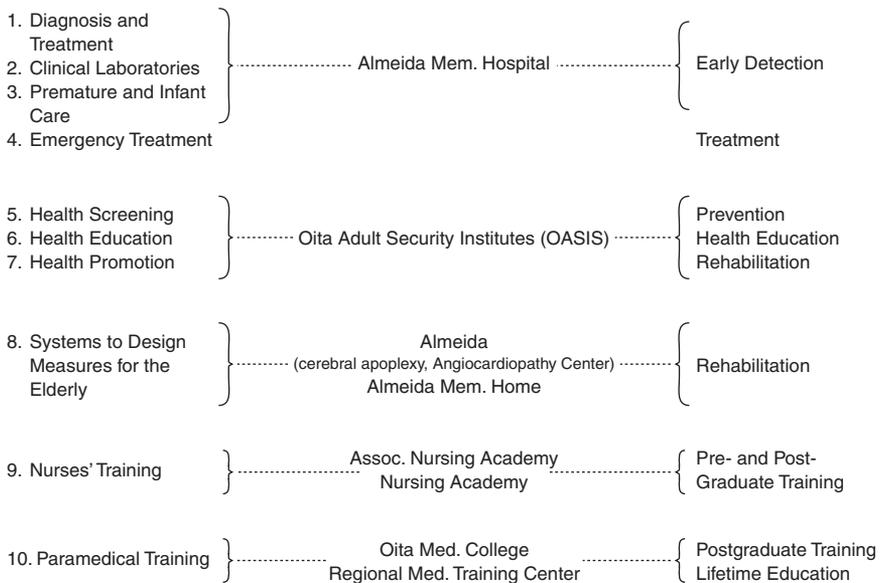


Figure 7.4 Multichannel Medical System Plan (published May 1971)

Source: Hajima Sugita, *Japan Medical Society Journal*, Vol. 72, No. 4, 1974.

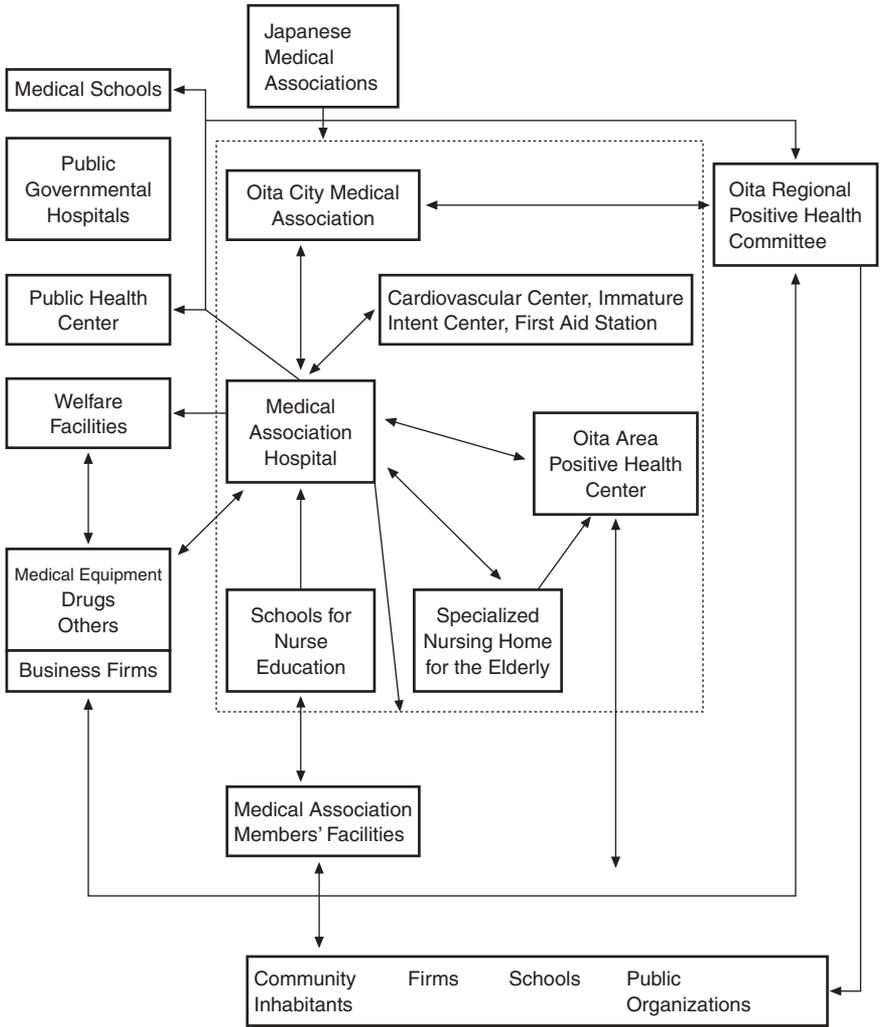


Figure 7.5 Oita City Association Hospital and accumulation of positive health technology

of human survival order. The goal of this system is not the optimization of positive health itself, but the optimization of the positive health *process*.

In order to apply optimization of the positive health process to society, several conditions are necessary. Section B of Figure 7.6 outlines the political conditions, while Section C outlines the economic conditions. Section B shows the regulations of the Oita Regional Positive Health Committee discussed above, and its political involvement and decision system. Section

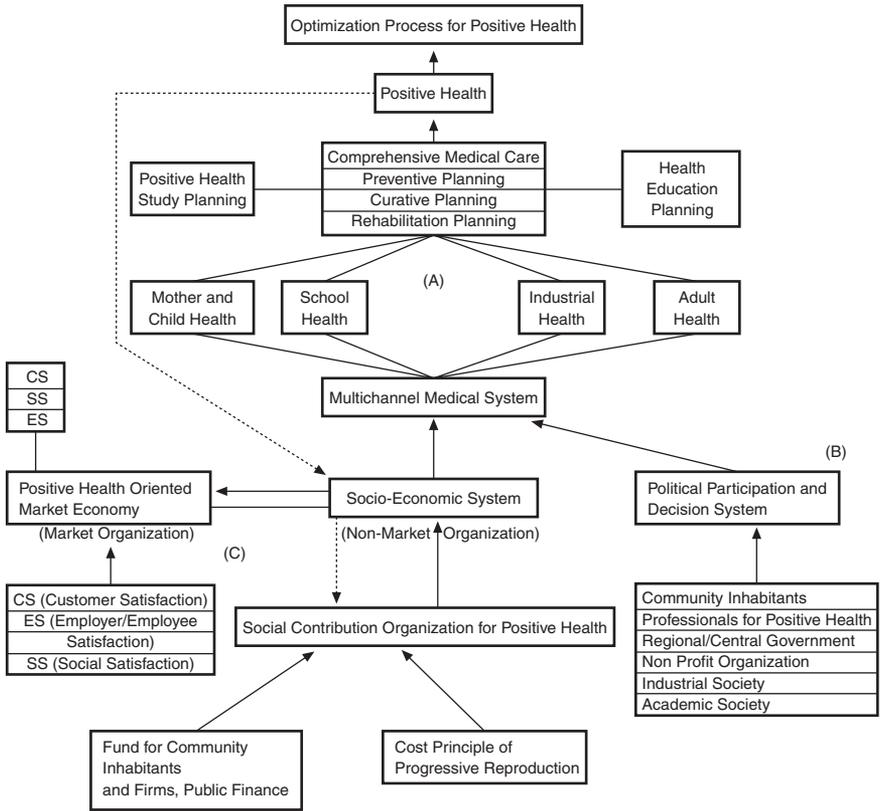


Figure 7.6 Basic model of the Multichannel Medical System

C shows the economic system which was introduced with the positive health-oriented norm and based on the coexistence of the market mechanism and the non-market mechanism. With the combination of the elements in sections A, B and C, one can see that not only the level of positive health of the individual and the household, but also the level of positive health of society as a whole, rise.

The Oita Area Positive Health Center, set up by the Oita Regional Positive Health Committee, also played an important role in the positive health model explained above.

Figure 7.7 outlines the structure and function of the Oita Regional Positive Health Committee. The Department of Health and Welfare of Oita City support this committee administratively.

Figure 7.8 outlines the administrative system of the Oita Regional Positive Health Committee, mainly the function of the Oita Area Positive Health Center in the development of positive health.

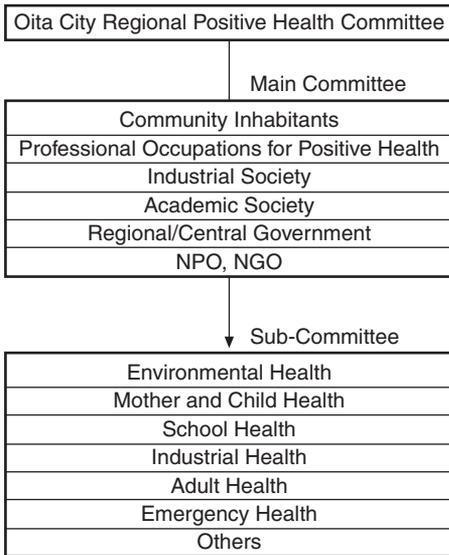


Figure 7.7 Members and functions of Oita City Regional Positive Health Committee

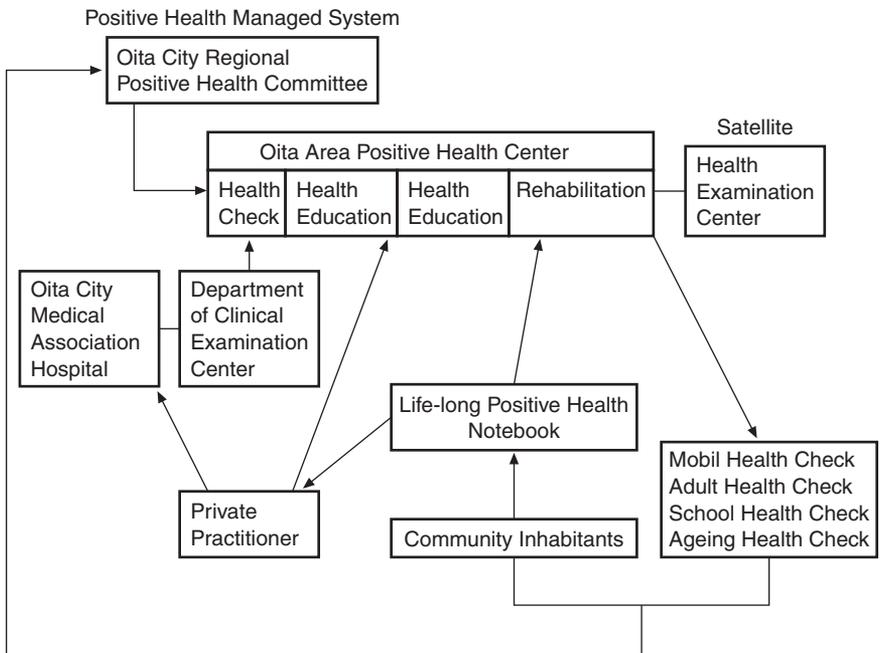


Figure 7.8 Positive health system managed by Oita City Regional Positive Health Committee

Table 7.2 Comparison between theory of value for maximizing consumption of goods and services and theory of value for positive health

<i>Type of value theory</i>	
<i>Elements of classification</i>	<i>Theory of value for positive health</i>
	<i>Theory of value for maximization of consumption goods and services</i>
Academic method	Natural science-oriented analysis Goods and services-centred evaluation Reductionism
Feature of evaluation	Money (market)-based evaluation Short period analysis
Wealth	GNP (flow) Capital, resources, technology (stock)
Method of empirical verification	Logical positivism
Feature of system formation	Mixed system-based market organization and non-market organization
Hypothesis of system formation	Maximizing behaviour for consumption goods and services Non-existence of <i>yutori</i> (leeway)
Progressive reproduction and stability	Cumulative effect of instability by GNP maximizing behaviour
Management system	Priority for economic efficiency
Social/political/economical institution	Capitalism by neo-liberalism
	Human ecology Human science Integration of reductionism and holism Positive health-oriented norm Multichannel welfare evaluation Attainment of positive health by personal/family/social level (flow), creating of condition of being positive health (stock) Logical positivism by practice Integrated system based on positive health-oriented market economy and social contribution system for positive health Human adaptability hypothesis by positive health-oriented norm Existence of <i>yutori</i> (leeway) Progressive reproduction of personal/family/social level and stability by homeostasis New management system based on hypothesis of human adaptability Neonatal capitalism by positive health-oriented norm

The theory of the value of positive health, on the other hand, centres around human science, with medical science at its foundation. It is a concept based upon harmony between the social sciences and humanities. Its characteristics include the strength of the positive health-oriented norm and the practical norm. Positive health evaluation (the guarantee that humans lead a healthy life, in particular evaluation of the level of health of the individual and household and the society as a whole) is important to this theory.

Evaluation by the positive health evaluation method looks at things from various directions and considers the long-term goals. Likewise, a method of providing evidence, logical positivism through practice, becomes necessary. In other words, subjectivity in the evaluation of investment in positive health is guaranteed through practical evaluation. As regards human behaviour and productivity, we are replacing rational behaviour based on the pursuit of self-interest, with *the human adaptability hypothesis* (see Figure 7.10). This theory assumes that, based upon practical examination, the autonomous and joint behaviour of humans

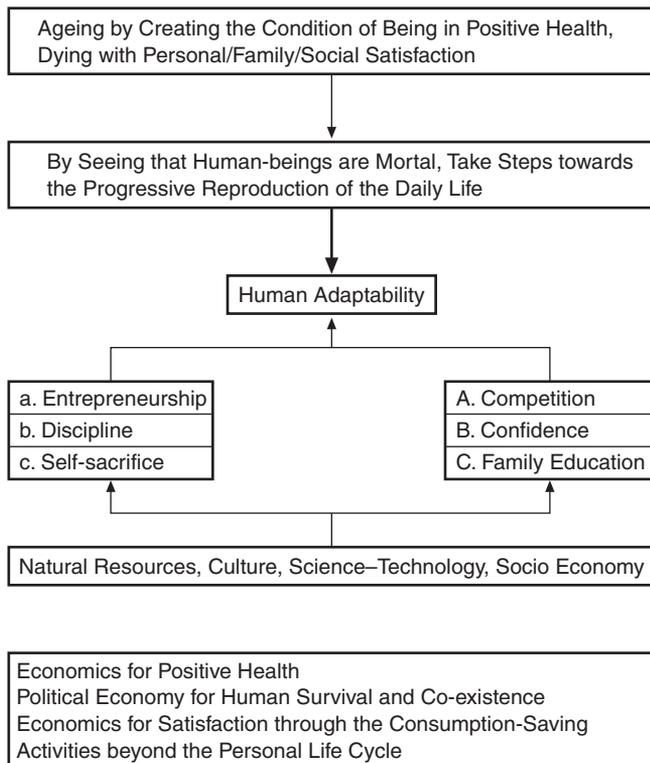


Figure 7.10 Hypothesis of human activities for positive health (human adaptability)

with a spirit to overcome difficulty, self-control and self-sacrifice, *yutori* (leeway), is a valuable element of this way of thinking. From the existence of leeway, one can guarantee ‘stability in the midst of creative destruction’ in society. This way of thinking requires a subjective index to back it up (the evaluation of the level of health of the individual, household and society).

Figure 7.11 shows the circulation system of the evaluation of investment in positive health in relation to the development of positive health’s response to shifts in the population.

The Oita Regional Positive Health Committee adjusts the ‘receiving’ of the community residents (individual and household), industry, non-profit organizations (NPOs, NGOs) and government organizations, to ‘providing’ by private practitioners, the Medical Association Hospital and related organizations, and the Positive Health Center using a prediction for the development of positive health and data analysis of the needs of the development of positive health. The Oita Area Positive Health Center conducts medical checks, promotional activities, education and information devel-

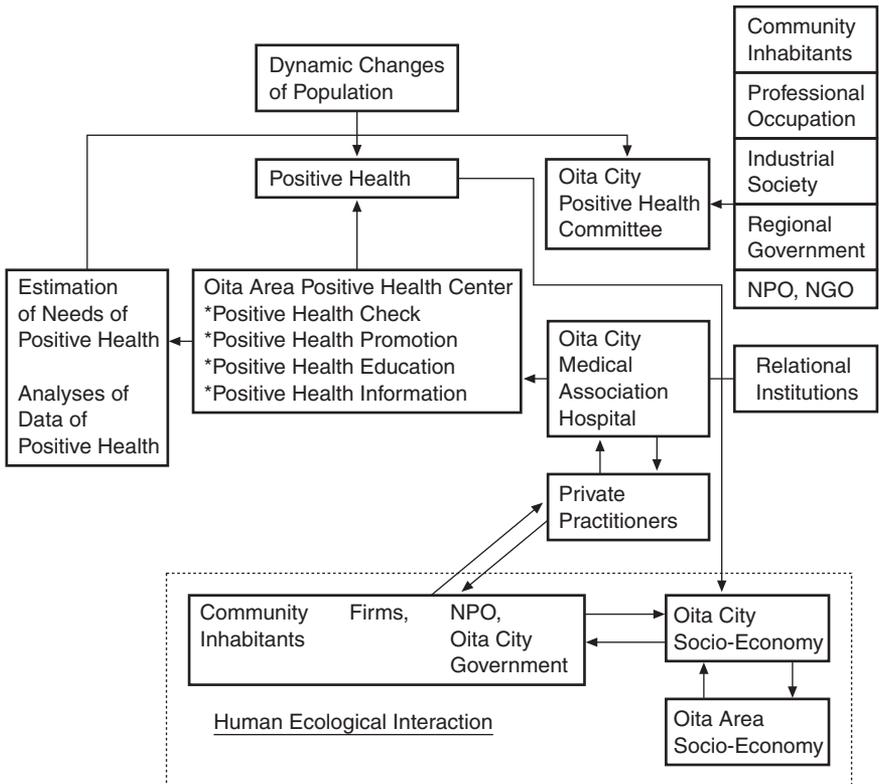


Figure 7.11 Oita model of evaluation of positive health investment

opment with regard to positive health. Using this process, a response to the decreasing birth rate and ageing population structure becomes possible through investment in positive health. This shows the pattern for the making of a city where health and economy coexist, including a response to the decreasing birth rate and the ageing society.

Figure 7.12 shows the formation of the price system in relation to positive health development conceived by the writers Sadao Tamura and Dr. Sugita along with Dr. Akira Kikkawa (Chair of the Oita City Medical Association at that time) in 1978, which was enacted by the establishment of the Oita Area Positive Health Center.

Table 7.3 shows a comparison between the prices A through G, which we set, and costs based on the social health insurance points system. Due to the efficiency of the accumulated comprehensive technology for the positive health system, we were able to set all prices lower than the controlled prices of the costs of the social health insurance points system.

Figure 7.13 shows the flow of revenue and expenditure from the establishment of the Oita Area Positive Health Center to August 1997. This flow has gone very smoothly, due to the efficiency of the accumulated comprehensive technology for the positive health system.

Doctor Sugita has named his multichannel medical system the OASIS Model.

Conclusion

In the previous sections, I have described a practical model of community well-being in the Oita region. I will conclude by explaining the applied development of this model.

In the process of optimization of global positive health, as shown in Figure 7.14, the community in community well-being is considered within the chain of regional, national and global levels, and regional well-being is taken as the core. In other words, national well-being is formed on the basis of regional well-being, and the aggregate of well-being of states will form global well-being. Here, the symbiosis between the social contribution systems and positive health committees on the regional, national and global levels becomes useful. The social contribution system referred to here does not mean a passive social security system funded by taxes, but rather one to which the major members of a community, including its residents, contribute in a positive way.

Dr. Taro Takemi termed this a bio-insurance system. Its aim is to guarantee social security not through money, but through human biological factors. We can call such a symbiotic function a 'community-oriented global system coordinated by nation states'. The role of the nation state, which acts as the central coordinator, is not analogous to an automotive engine, but rather resembles a gear, and 'community-oriented' refers to the leadership of the community and its people. We believe that the major

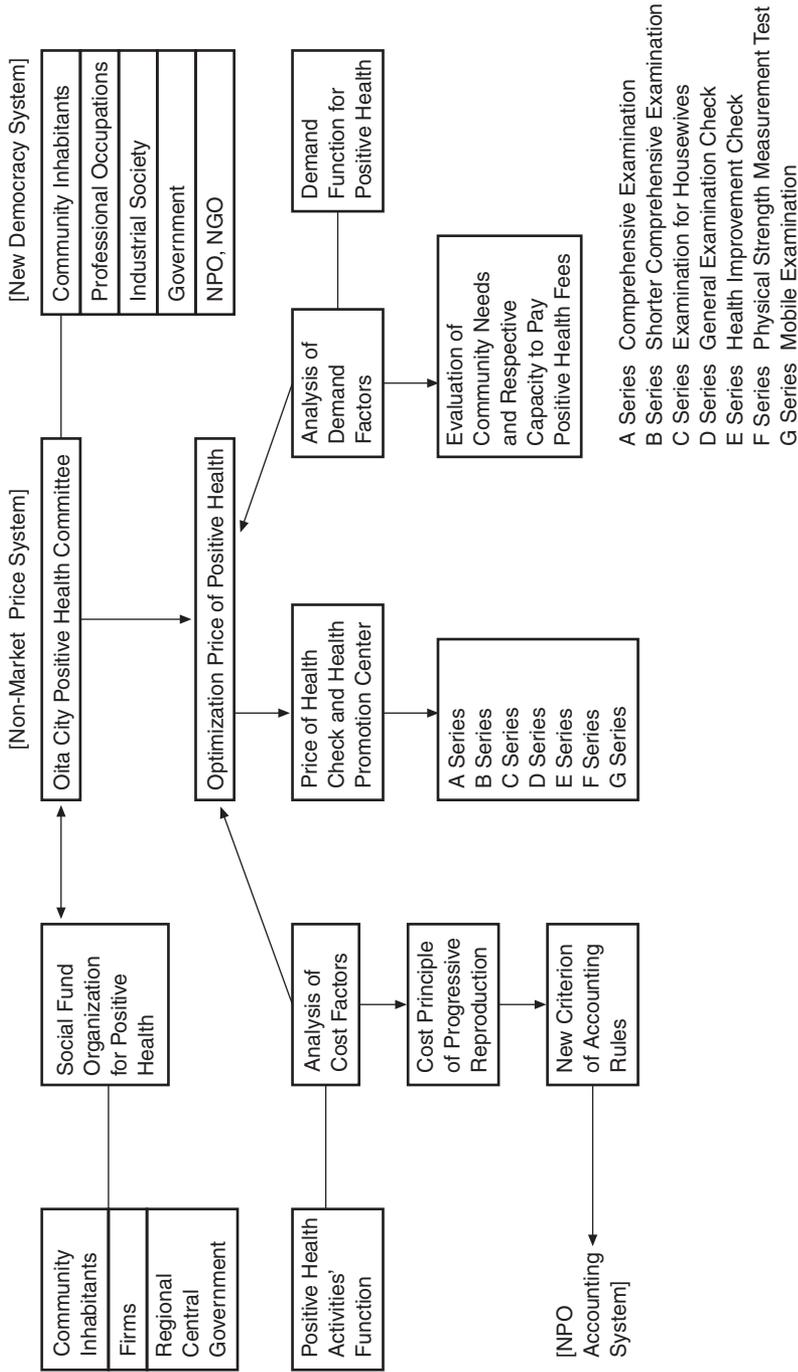


Figure 7.12 Price system for positive health investment

Table 7.3 Comparative table of Oita Area Positive Health Center's prices and social insurance prices, 1997

	Series						
	A	B	C	D	E	F	G
Price of health checks and health programmes (a)	50,000 (\$233)	25,000 (\$116)	8,000 (\$37)	5,000 (\$23)	8,000 (\$37)	7,000 (\$33)	1,000 (\$4.6)
Cost of same health checks and programmes as designated by social insurance (b)	68,490 (\$319)	31,350 (\$146)	24,940 (\$116)	13,180 (\$61)	17,380 (\$81)	8,900 (\$41)	5,000 (\$23)
(a/b)	0.73	0.80	0.32	0.38	0.46	0.79	0.20
Amount saved by using (a) system (%)	27	20	68	62	54	21	80

Notes

(a) Price of health checks and programmes.

(b) Cost of same health checks and programmes designated by social insurance.

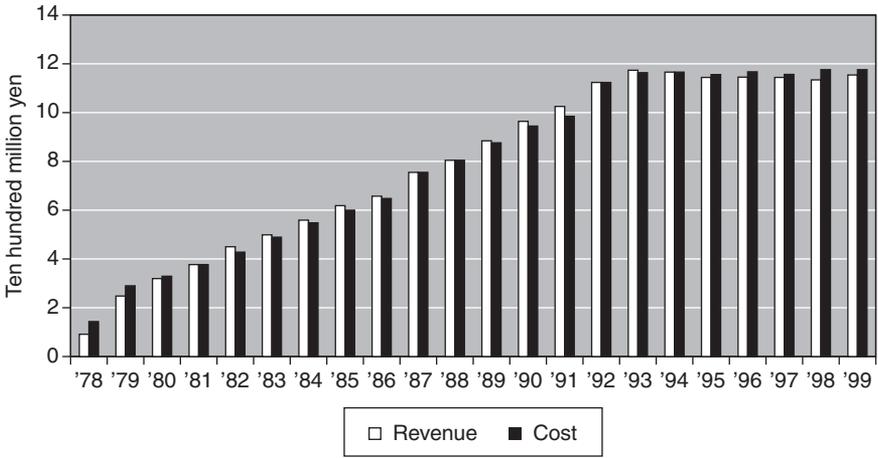


Figure 7.13 Money flow movement (1978–1999) in Oita Area Positive Health Center

actors of a community are its citizens, and that the state is nothing but a supporting actor. The political systems of Switzerland and Denmark may be said to be oriented toward such a form. It can be expected that social contribution systems at the regional, national and global levels, in response to the market systems at these levels, and the achievement of symbiotic functions of positive health committees of these levels, will allow the achievement of ‘a success of the government and a success of the market’.

The multichannel medical system proposed by Dr. Hajime Sugita was originally designed to be a global model for community well-being, and not limited to the Oita region. I came to believe that, while it was useful to seek to establish the economics of positive health in a single region, Oita, it would be desirable to develop it from a regional model into one which could be universally valid throughout the world. Our ultimate wish is to launch a global welfare initiative from Japan. By achieving this, I believe we may move toward finding a way to resolve the two hungers, namely physical and spiritual hunger, which Mother Theresa found in modern economic policy, and to establish a new system of social security for the world.

I would now like to give some explanation of the relationship between economics for positive health and new public management, as shown in Figure 7.15. As is well known, new public management is a new policy technique which has attracted attention as it involves responses to the changes in roles between the administration, enterprises and non-profit organizations within the process of capitalist development. Behind it we can find a stream which seeks increasingly concrete policy techniques, coupled with distrust of economic policies in the context of modern economics. It is rather fashionable, and many works have been published on

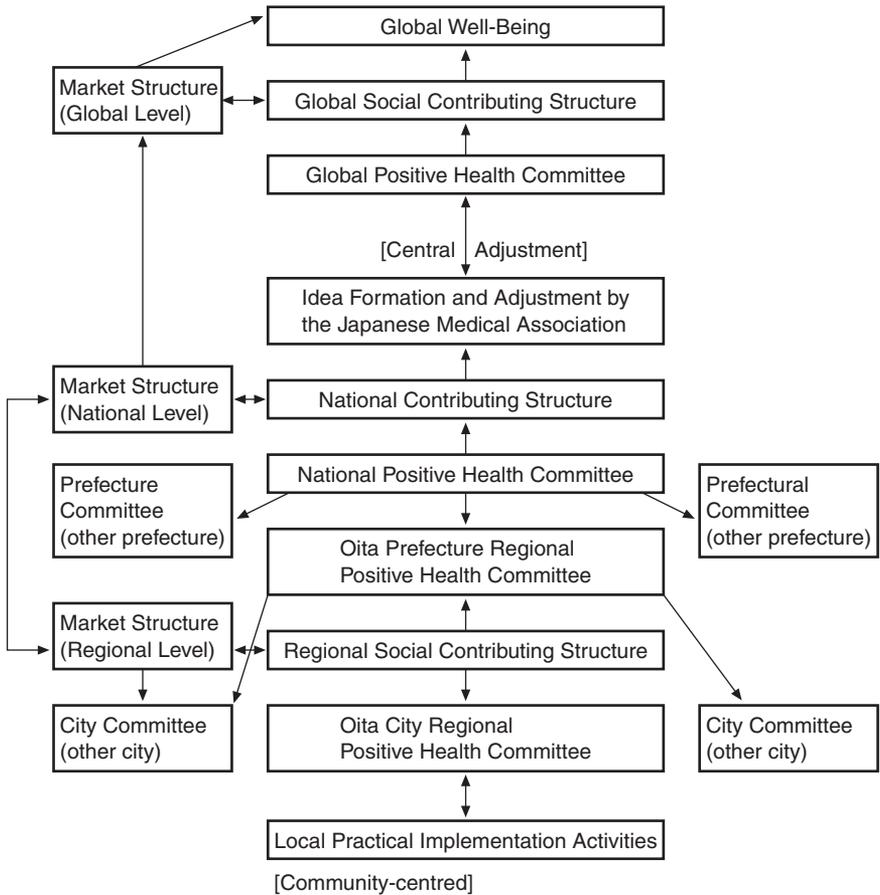


Figure 7.14 Optimization of global positive health

Source: Oita Prefecture Data Base, Oita Prefecture, 1999.

the subject, but from the point of view of ‘a success of the government and a success of the market’, through economics for positive health, I believe there is a need to contribute to its institutionalization.

In Figure 7.15 we have arranged the keywords of new public management from the perspective of the economics for positive health. The most important issue is the valuation of positive health. This is made concrete by systematic decisions under a multichannel medical system, and in this specific case the main actors are three NPOs: the Oita City Medical Association Hospital, the Oita Area Positive Health Center, and the Positive Health Hospital for Elderly. In order to achieve positive health for the local residents, the Oita City Medical Association has mobilized these NPOs, and endeavoured to optimize positive health. In the process, the role of the social

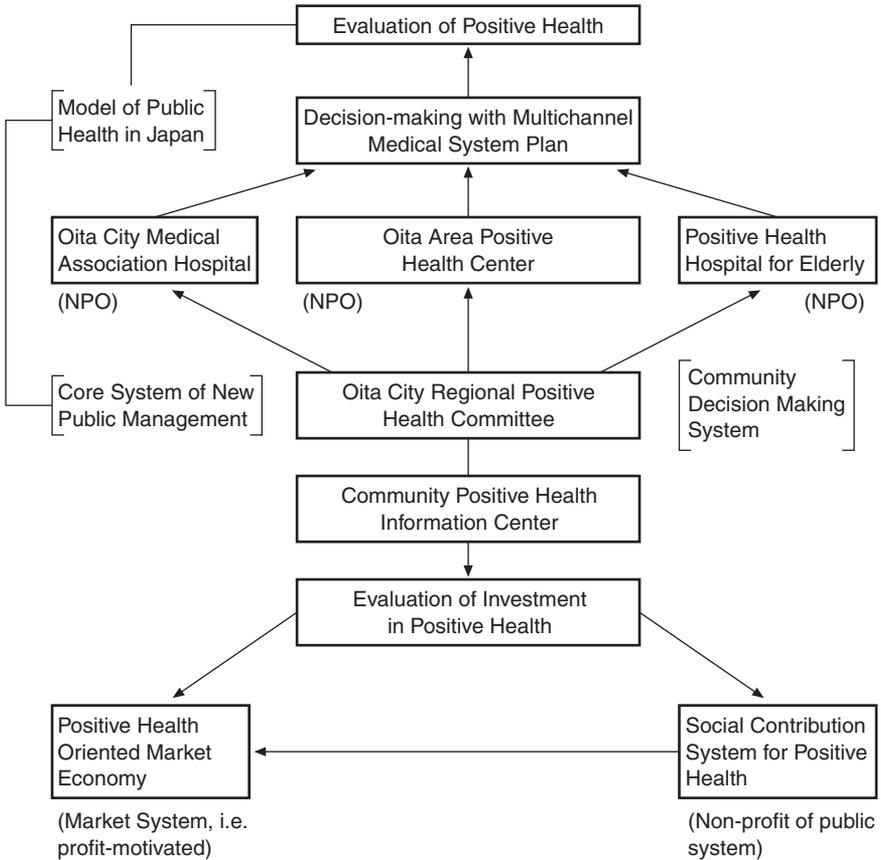


Figure 7.15 Keywords in new public management

contributing organization as a non-market system and the existence of the positive health-oriented market economy as a market mechanism are essential. I believe we can say that the symbiosis of these two factors is the core of the potential of new public management. Consequently, the establishment of a Waseda-style new public management has significance in being concretized from the viewpoint of a ‘symbiosis of success of the government and success of the market’ revealed through economics for positive health.

With regard to new public management, a variety of patterns have been attempted so far, and one theorist has categorized these into four streams:

- 1 improving efficiency;
- 2 downsizing and decentralization;
- 3 the pursuit of excellence; and
- 4 placing importance on the costs of public services.

Emulating this categorization, economics for positive health can be considered to contribute to the enhancement and strengthening of the fourth stream. Within this fourth stream, 'interest in the quality of services' and 'consideration for users' are given great importance, and economics for positive health aims to do this by improving the productivity of and satisfaction from health investments through the value theory of positive health. Then, on the premise of a strengthening of systems of information disclosure, it becomes necessary for the various constituent parts of the community to work together through participation towards the applied value theory of positive health. The possibility is thereby opened up for a symbiosis of the social contributing organization and the positive health-oriented market economy. Furthermore, it is necessary to add that this framework is supported by a method of logical positivism by practice.

I would like to close by saying that today's political economic system can find solutions to the many serious problems which confront it, such as pensions, medical care and nursing care, through the application of new public management enhanced and strengthened in the direction aimed for by economics for positive health.

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8 NPM and a research project on symbiosis

Comments on Sadao Tamura's 'A practical model of community well-being: A case study of new public management in Japan'

Koichiro Agata

Introduction

I would like to mention three points: first, defining the notion of New Public Management (NPM) our committee uses for this project, in the light of yesterday's discussions; second, the importance of the chapter by Professor Tamura on this basis; and, third, potential for further cooperation in this area both in our circle today and, if possible, more widely.

The notion of NPM

New Public Management roughly means adopting general management theories and systems as much as possible in public sector administration. For example, it is important to reform the control system of finance in the public sector, which is now input-oriented, so that it can be more oriented to the output (service) and outcome of public activities for the entire society, as demonstrated in Professor Eichhorn's Chapter 4. The dominant framework of NPM emphasizes public administration as a service providing organization, seeking efficiency and flexibility rather than legality and regularity, serving the market instead of controlling it, and employing efficient specialists rather than loyal lifetime generalists. It can also be said that the philosophy of NPM in this sense is based on the trend of new liberalism.

On the other hand, our concept of NPM is not only oriented to efficiency through the introduction of management theories and the market mechanism into the public sector, but also tries to combine the success of the government with that of the market in order to optimally fulfil various human needs in contemporary society. We need to discuss the balance between equality and liberty, uniformity and diversity, or concentration and concurrence, centralization and decentralization, or between effectiveness and efficiency. We should overcome these simple dichotomies, similar to the third way intensively discussed in the European-US Reform Summit

held in Florence in November 1999 with the presidents and prime ministers of leading G5 countries.

Key questions are, for example, how far the regulation of the government should penetrate the market to achieve optimal resource distribution in society, and where the government should begin withdrawing its regulation. How far can the market mechanism contribute to this purpose? The mechanism of government and the counterpart of the market should not exclude but supplement the other. In my opinion there can be no normative discussion about these questions, but testing concrete cases in various policy fields, where different needs in society should be fulfilled, should resolve them. It is important to search for a certain combination of public and private activities for optimized distribution of resources. We must aggregate many different empirical approaches and their results to find an overall solution.

Case study of Oita

Professor Tamura has explained in his Chapter 7 the philosophy, concept, mechanism and practice of NPM, using concrete cases of positive health care with examples from Oita Prefecture in Japan. He has derived important components of the NPM philosophy, which can be concretely applied to the field of medicine, from the principles of Dr. Takemi for the human survival order and positive health development. The multi-channel medical system in Oita developed by Dr. Sugita shows a well-established concept of NPM, realized constructively in a regional health system. This concept is very well represented by the mechanism of collective decision-making about services and the price of positive health care through the Regional Positive Health Committee, which combines the positive aspects of the government and market mechanisms. The output and outcome of this positive health mechanism in Oita can be seen as a fine example of symbiosis between the government and market. In this sense, Professor Tamura's case study is very significant and we must consider it an important outcome of the above-mentioned aggregation of concrete lessons.

Further cooperation

I think it possible with further cooperation to develop the research field of New Public Management. A possibility for further development has at least two dimensions: regional and policy-related. In this collection we have argued six policy fields, namely in university or higher education, medicine, and the social, economic, environmental, and health policy fields with researchers from five different countries: Japan, Germany, the United Kingdom, the United States and Denmark, to synthesize different experiences into an overall theory. Many more policy fields must be dealt with, not only in floor discussions but also in lectures on many network

industries, such as electricity, gas and water supply, telecommunications, information, transport, etc., on industry policy, housing policy, labour policy, income maintenance policy, and so on.

We should also consider the experiences in industrialized countries other than those mentioned above, such as France, Canada, Italy and many Asian countries as well as many developing countries, and other international, supranational and global organizations in our research project. Levels of economic development are so diverse that the relationship between government and market will vary in these countries. The matrix of regional and policy dimensions is likely to be so large that we can develop our research perspective extensively.

Based on the above argument, we have an institutional possibility for further developing our project, namely in the context of APEC (Asian Pacific Economic Cooperation). Among several member states of this Asian Pacific organization, the presidents of about 30 universities have organized the Asia-Pacific-Rim Universities (APRU) as an advisory committee for APEC and its major organizations to suggest possible improvements in different policy fields. Waseda University is a member of the APRU, and is planning to build some research project teams, already or soon to be located at each member university.

9 Relationships within a university

Cliff Pratten

Introduction

I had best start with a disclaimer: this chapter was not written from the perspective of someone operating at the centre of university administration or of someone who has taken an active part in faculty or college politics and administration.

I should have been very surprised if at the outset of my career I had been told I should spend most of it at Cambridge University. I arrived at the University in 1960, but left 18 months later to take another job. In 1963 I returned and have been a member of the Economics Faculty ever since. It would be fair to say I have spent most of that time on a rather low rung of the ladder within the University, but the hierarchy is less intrusive than in many organisations. I count my career choice as very fortunate: the combination of faculty colleagues interested in economics makes the University a very congenial place to study the subject and the town is a pleasant place to live.

When I last visited Bonn in 1978, I was carrying out a comparative study of industrial performance in Germany and the UK. At that time the performance of UK manufacturing industry was relatively disappointing, output per head was far below that in Germany; in many UK factories output per person was about half the German level. Since then the position has changed, the UK economy now *seems* surprisingly successful and national output, GDP, per head compared using current exchange rates has nearly caught up with levels in neighbouring countries. Recently there have been press reports that the south-east of England is the European region with the highest per capita income. Of course, one of the explanations for Britain's industrial renaissance is the introduction of Japanese, German and American companies and management, which have not only achieved high levels of performance at their own new and/or acquired UK factories but have set standards for UK companies to emulate.

A naive comparison of performance

Comparisons of the performance of universities are treacherous. On one of the occasions when I was visiting German factories in Stuttgart and Munich, I stopped off at Heidelberg and collected data for a comparison of labour productivity at universities to see if the comparisons were the same as for German and UK industrial factories. The initial comparison was in terms of the number of students (a measure of output) and numbers of employees of all sorts (a measure of inputs). The comparison of students per employee was of the same order of magnitude as for car factories: on average, German universities had twice the number of students per employee. The comparison was very crude but explaining the difference did indicate some interesting contrasts. In part, because of the highly specialised courses many 16 to 18 year olds take at schools in the UK, most first-degree courses at English universities are of 3 years' duration and failure rates have been low by international standards. Adjusting for these differences, to compare graduates per employee, boosted the output of English universities. Adjusting for the value of the time of students which was saved would boost the relative output of UK universities even further. However, the output of universities cannot be adequately measured in terms of students alone, whatever adjustments are made to the figures.

I believe that most people see the research universities in the USA, Harvard, Stanford and so on, as internationally competitive and an important source of the competitiveness of the USA economy. In the UK, Oxford, Cambridge and certain colleges of London University, closely followed by some other UK universities, are the equivalents of the leading American universities. In terms of the conventional measures, such as Nobel Prizes won and the achievements and successes of former students in their careers, these UK universities are clearly successful. In terms of the tests which UK governments, which have provided most of the funding for all UK universities since 1945, have imposed on UK universities in recent years through various research and teaching assessments, these universities are again at the top or close to the top of the tables.

What are the sources of their success? History and traditions are clearly important – the success is *path dependent* – but, though history is important, its influence can be exaggerated: certain UK universities set up since 1960 are placed near the top of some of the UK research and teaching assessments. Wealth is in part determined by history – universities which have been around for a long time have accumulated assets – and Cambridge is very wealthy compared to most other UK universities. Again, the direct advantages of greater wealth should not be exaggerated; most of the income of UK universities comes from the state or, as in the case of student fees, is controlled by the government.

Success leads to success. History, traditions and wealth have enabled the University to attract and recruit staff and students. Put in terms of

industrial economics, history, wealth and past successes have created an attractive 'brand'. The quality of students recruited, as measured by their grades in school examinations, is very high indeed. Staff are attracted to universities with the most able students and vice-versa – a virtuous circle.

The structure and management of the University

So far I have said nothing about the structure and management of the University as a source of advantage. Are its structure and management a reason for its success?

The structure is democratic and complex, with colleges and faculties/departments. In formal terms the governing body of the University is the Regent House, made up of more than 3,000 graduate staff of the University. The number, 3,000, compares with 600 in the 1920s and indicates the expansion which has taken place. Members of the Regent House vote on proposals, and all changes to the Statutes and Ordinances of the University have to be approved by the Regent House. The University is a self-governing community of scholars. Similarly each college is self-governing and has a Governing Body made up of all its teaching and research staff, or 'fellows' as they are called.

In practice the governance of the University rests with the council of the University and its committees. The Council, which is the principal executive and policy-making body of the University, has eighteen members who are elected by the Regent House:

- The Chancellor and the Vice Chancellor
- four heads (or Masters) of colleges
- four faculty members
- eight other members from among the members of the Regent House.

Until the 1990s Vice Chancellors were appointed for 2 years and it was a part-time job. The Vice Chancellors were masters of colleges and some of them were also heads of departments. Now the appointments are for 5 years, the job is full-time and the person appointed does *not* have to be a Master of a college. Since this reform the two Vice Chancellors who have been appointed were masters of colleges but an outsider could now be appointed. The objectives of appointing a full-time Vice Chancellor were that he 'should give a sense of purpose to the central bodies in the important task of developing Cambridge in the changing world of the 1990s. The Vice Chancellor should be able to detect any weaknesses that may develop in particular parts of the University.'

The inclusion of four heads of colleges ensures that the views and interests of colleges are represented. Moreover, all the other members of the Council are likely to be Fellows of colleges.

The two main sub-committees of the Council are the General Board,

which deals with academic matters, and the Financial Board. There are also committees of representatives of the colleges – the Tutorial Committee made up of college senior tutors (the *tuc-reps*) and the Bursars' Committee made up of college bursars. There is also a Board of Scrutiny appointed by Regent House to report on the progress of the University administration and to examine and report on the work of the Council and its committees.

The colleges

The role of the Oxford and Cambridge colleges is probably unique. How do they contribute to the success of these universities? It is impossible to make a cost–benefit assessment of the college structure or to measure their output in terms of increasing human capital.

All the students at the University and many of the teaching and research staff are members of one of the approximately 30 colleges. The roles of the colleges and the faculties are fairly clearly determined. The faculties provide the lectures and classes for undergraduates and all the teaching of postgraduates and research facilities. The colleges supervise undergraduate teaching and provide tuition for undergraduates. Typically a college has about 70 teaching and research staff covering all the main subjects and some of the minority subjects and about 500 students drawn from most subjects. The college structure is a brilliant way of combining the virtues of a large organisation (the University) with those of small organisations (the colleges). Members identify with their colleges. In addition to competing for students and providing teaching for undergraduates, the colleges provide accommodation for most of their undergraduate and postgraduate students. They also provide many opportunities for staff and students to socialise and find out what is going on in other parts of the University, apart from their own faculty or department.

An important function of the colleges is to provide a club for their members. The Master of each college is appointed by the Fellows of the college. The system is appropriate for a club but it would be inappropriate for a company. If the staff of a company appointed its chief executive officer, they would be likely to vote for an accommodating, undemanding chief executive, unless the company was under intense competitive pressure, in which case they would seek to appoint someone able to lead the company in a way which would preserve their jobs.

Faculties and departments

In terms of modern and fashionable management concepts – lean management, delegation and flat management structures – the University is a model and this structure is of long standing? The central administration has always been small (lean). Much decision making has been delegated to the faculties and departments. Within the faculties, authority rests with

faculty boards, which include a large democratically elected component. The control vested in heads of departments and chairpersons of faculties to determine the pattern of lecture courses and research programmes varies. In some arts faculties it is quite light, but it is much less so in some science and engineering faculties and departments.

The division of responsibility for undergraduate teaching results in some resource allocation problems. The supervision system provided by the colleges is very resource and labour-intensive, as students are taught in small groups of three for 2 hours a week. Possibly the division of responsibility slows change and limits the provision of resources for postgraduate teaching and supervision.

Finance

For many years the bulk of the finance for the University has come from the state, out of taxes. From 1945 until about 1980 the government paid for the tuition of all UK students and provided means-tested grants for students' living expenses. From 1980 the government reduced student support by progressively replacing grants with loans for students' living expenses. Since 1998 students have had to contribute to the costs of their tuition.

Within the system of state funding the position of Oxford and Cambridge has been anomalous because the state provided funds for the universities and the colleges. The college fees were paid direct to the colleges. Now this system is being changed; all the state funding will go to the University, which will pass on some of the funding to the colleges. This change will obviously give the University greater control and influence over the colleges.

Like welfare payments to individuals, state financing of universities creates disincentives. Ever present questions when deciding on expenditure out of endowment income and capital are: 'Will the expenditure lead to a reduction in state funding?' and 'Can we get the project financed by the government?'

Selection of students

The colleges decide the recruitment of students with a steer from the central bureaucracy to control overall numbers in line with government policy and for certain subjects such as medicine and veterinary science. Recruitment is a controversial subject. The government is concerned because the overwhelming majority of the undergraduate students come from the professional and managerial class.

The colleges compete to attract the best students and they select on merit – staff want to recruit the brightest students. The problem is assessing talent and ability of applicants from very different backgrounds and with varying degrees of preparation. In a rough and ready way, colleges

select the most promising students, so if a lot more well-qualified and promising students apply to study modern languages and fewer apply to study economics, student numbers will reflect the change. However, there are limits to such shifts in the short run as colleges supervise and provide much of the teaching of undergraduates; colleges have to an extent to match the students they recruit to their teaching resources. At the start of a new recruiting season, the average annual recruitment for each subject in recent years is taken as a kind of target or benchmark for deciding how many students to recruit, but the target is just that and there is flexibility. Also, given time colleges can, of course, change the balance of their teaching resources between subjects. In fact, over the period since 1980 recruitment across most subjects has been surprisingly stable.

For the recruitment of postgraduate students the role of faculties and the central bureaucracy is much greater, though to be admitted, a postgraduate student has to be accepted by a college as well as a faculty. Since the early 1980s the number of postgraduate students has doubled.

Staff

Recruitment of staff is a critical process for a university and the central university bureaucracy supervises the appointment of university staff. Most recruitment is delegated to faculties but for high-level appointments of professors, appointment panels include people from outside the University as well as people from other faculties within the University. Faculty appointments committees also include representatives from other faculties.

The colleges recruit many of their teaching staff from staff *already* appointed by the University. As a matter of custom and practice staff employed by the University can take college appointments which can involve time-consuming duties as well as social events and supplementary pay. These fellows cost the college relatively little because the University pays the main stipends.

Particularly for arts and humanities subjects, the colleges also recruit direct because there are fewer university research staff in these subjects to recruit, compared to the sciences. Those college staff without university appointments, commonly termed NUTOs, are much more expensive for the colleges.

Management gurus would place emphasis on motivating, assessing and controlling staff as ingredients for the success of organisations. Although some would disagree, assessment of academic staff is fairly straightforward, at least over periods of more than, say, 5 years: publications, citations, colleagues' references and student assessments provide a crude but reasonably reliable guide. Traditionally UK universities have had a much softer approach to staff than American universities. Until quite recently many appointments were for *life*, at least after a quite short probationary period, and dismissal for poor performance was unknown.

Now, a higher proportion of staff are appointed on short-term contracts and for them reappointment is dependent on performance.

It would be easy to devise a tighter control system, but whether it would work better than the existing system is difficult to assess. A tighter system would certainly weed out a few weak performers but would involve some additional costs of monitoring (though monitoring costs are already incurred) and could adversely affect relationships and individual freedom to decide lines of research. Some members of staff would be less productive if they faced greater insecurity. If tighter control was combined with the University using its wealth to *bid* for replacements, the positive balance of effects might be enhanced.

In the private sector differential financial rewards are used for recruitment, to reward good performance and to provide incentives. At present financial rewards play little part in providing incentives for university staff. At one firm I visited recently an American who had acquired the firm from traditional UK owners/managers not only got rid of (derecognised) the trade union, he carried around a wad of high-denomination banknotes which he handed out to staff who in his estimation had performed well. He would give the employees a dab in the hand of about US\$1,000 a time. There is no equivalent reward system in a university or anything resembling it, though promotion carries some financial reward.

Since the 1970s pay of university staff has slipped well below rewards in equivalent, private-sector professional occupations and this poses some dangers for the future. On a number of occasions in recent years undergraduate students who I have taught have, at the age of 21 or 22, been recruited for jobs in the 'City' on substantially higher salaries than I receive.

Most academics are motivated to achieve recognition and high standing among their peer group or are motivated by the chance to contribute to progress in their subject, or the chance to apply their knowledge and skills or to teach. Even so, the low pay may create problems for recruitment. Many existing staff have little choice but to accept the low rewards, potential new recruits have more choice. Low pay also leads some staff to divert more effort to consultancy type work.

Controlling expansion

Many UK companies are reorganising and making quite dramatic changes in direction. For example ICI, the UK's leading chemical company, has hived off its pharmaceutical business (Zeneca, now part of AstraZenica) and sold off its other businesses, particularly its heavy chemical businesses. Simultaneously, it has acquired speciality chemicals businesses. ICI is not exceptional; many UK companies are changing and often narrowing their focus. Similar dramatic changes are not being made at universities. Perhaps the need for change is less: globalization of markets, technical change and

changes in exchange rates, which are driving the industrial changes, have so far had less impact on universities.

Clearly the rate of overall expansion of a university and the directions the expansion takes are important questions. My impression is that the changes made at universities are often responses to changes imposed on universities, rather than aggressive, planned changes like those made by many industrial companies. For example, the growth in the number of students taking courses in business studies and the number of UK universities with business studies departments are responses to increased demand from students. An example of a change which universities have led has been the mushroom growth of short, one- and two-year, postgraduate courses but the development of these courses, is not unique to the UK.

To expand, a faculty or department has to attract more students or research grants and endowments. This provides a searching test because in most subjects research funding is tight, only promising research projects are likely to be funded. In practice, the initiative for expansion has to come from faculties or departments, but the central bureaucracy has the power to damp down expansion through its control of accommodation and staff establishments. Exceptionally, if a faculty was perceived to be performing weakly – missing opportunities or achieving low ratings – enquires could be set up, but these procedures are rarely used. Generally, the University does not use its wealth to aggressively fund new research initiatives.

Matrix type organisation

The faculties and colleges give the University a matrix type organisation. Generally the responsibilities of the colleges and faculties are clearly demarcated. In some areas like the control of recruitment of undergraduates, the colleges may provide a control for the faculties. The combination of colleges and faculties provides opportunities for information and ideas to be assimilated and assessed quickly.

I believe that among industrial and commercial organisations matrix type organisations are now out of fashion because they may lead to divided or conflicting objectives and loyalties and extra costs of reporting and administration. It might be argued that there are some echoes of these problems caused by the college/faculty structure; given the demands on the time of academic staff for research, college commitments may divert both time and ambition from faculty and research.

The democratic structure creates some problems for getting agreement to make changes, even those concerning quite routine matters. For example, the format of the financial accounts, which are prepared by each of the colleges, has been standardised for many years. The existing format enables colleges to conceal information and their true financial position. Getting the agreement of the colleges to change the format is very time consuming.

Colleges also make appointments independently. Historically, there are examples of colleges making appointments which have made possible the development of new science subjects. Kings College could be said to have played an important role in developing economics in Cambridge. Perhaps in future developments will require the recruitment of teams, rather than individuals, in which case the role of college appointments could be reduced.

From time to time college appointments also provide opportunities for scholars with unconventional approaches. These appointments may or may not prove to be successful for the individuals, colleges and research, but they can occasionally seem a bizarre use of scarce resources to those responsible for ensuring faculties can compete with other universities. It would be wrong to emphasise this point because in many instances colleges collaborate with faculties when making appointments.

The colleges hold much of the total wealth of the University and many benefactors contribute to colleges rather than the University. Between colleges the wealth is skewed with one particularly wealthy college, Trinity College. Since its foundation it has always been a wealthy college but during the past 30 years it has greatly increased its wealth by successful/lucky investments. The largest container port in the UK, Felixstowe, happened to be built on farmland owned by Trinity. Trinity has diverted a substantial part of its income to funding research, the building programmes of some poorer (relatively new) colleges and providing grants for students. Other colleges have funded interesting initiatives.

Arguably, a result of the colleges controlling so much wealth is that in total too much is spent on adding and improving student accommodation and facilities, rather than paying for additional teaching and research staff, providing higher pay for staff and funding for research. But the bias may reflect a fear that if the colleges or the University fund more staff and research from their endowment income, the state will simply reduce its funding.

Crises

Another reason for holding back on spending is a fear shared by many (often elderly) wealthy individuals and entities, that funds (capital) should be reserved for a rainy day. Perhaps these fears about what the future holds are too pessimistic and inhibiting. Others might claim that such cautious attitudes have contributed to the longevity of the University.

Even the largest and apparently most secure industrial and commercial companies, including IBM and General Motors in the USA and ICI and Marks and Spencer in the UK, have faced severe crises in recent years. For companies, crises are highlighted by sharply falling profits. Perhaps in part because of the diversity of their activities most universities seem to have escaped such crises. The nearest equivalent crises are failures and

weaknesses showing up in individual faculties and departments resulting in poor research and teaching assessments. Maybe improvements in global communications will increase the competitive pressures on universities in the future.

High tech industrial development

Over the past 30 years a new dimension of universities has emerged: high tech industrial development. The Cambridge area is now regarded as the premier high tech location in Britain, though there are other rapidly developing locations in the UK. New high tech industry contributes to the University as well as drawing advantages from it. The high tech firms can provide research projects and career opportunities for some students, collaboration for research with faculties and consultancy and development opportunities for staff. Universities and colleges, which invest in, or provide sites for high tech firms, can get attractive returns on their investments. In return the high tech companies may gain from the 'brand', from producing products, such as instruments, for use in universities which can be tested in the University and are in a strong position to recruit graduates from the University. The University has become an important part of a research and development network.

The main initiative for encouraging the development of high tech firms in Cambridge, the setting up of the Cambridge Science Park, was taken by a college and other colleges have invested in buildings for new high tech firms. This illustrates the advantages of the college structure in providing alternative and separate sources of initiatives.

At least until very recently no supernova firms have emerged from the Cambridge area to match the American supernovas such as Sun Microsystems and Microsoft. This probably reflects the much smaller UK market and the fragmentation of European markets, rather than differences between UK and US universities. A factor which may stunt the growth of the high tech firms in the area in the future is the slow restrictive, bureaucratic and unpredictable town planning system which forces up the costs of working space and cost of homes for employees.

10 Relationships within a university

From the viewpoint of management science

Minoru Tokita

The framework of the comments

I would like to take the liberty of speaking from my own turf, commenting on Mr. Pratten's Chapter 9 from the perspective of management science, which is my own field of specialization.

We students of management science approach management employing a methodology quite similar to that used by natural scientists. In other words, when we deal with a set of problems related to management, we try our best to capture the essential features or aspects of the problems in the form of an abstract model, conduct experimental or mathematical analysis, and derive a solution to the problems from it. In building an abstract model of management, we have to start by putting certain restraints on the concept of management. One way of doing this is to assume that the essence of management is in decision-making, or more drastically that management is one and the same thing as decision-making. As a matter of fact, some management scientists assert that there is no difference between management, administration, controlling and decision-making. Then, we can represent many problems in management by a mathematical model such as:

$$\begin{array}{ll} \text{objective function} & z = f(x, y) \\ \text{constraint(s)} & \phi(x, y) \cong 0 \\ \text{optimizing} & z \rightarrow \max \text{ (or, } \rightarrow \min \text{)}. \end{array}$$

where,

x = controllable variable(s), namely, variable(s) whose values (alternatives for decision-making) can be specified by the decision-maker at will;

y = uncontrolled variable(s) which cannot be controlled by the decision-maker, but act as environmental factors affecting the output(s) of the system or the process;

z = the measure of output(s) produced by the process.

The model tells us that management (or decision-making) means to choose a (set of) value(s) of the controllable variable(s) that is optimal under the given objective or goal and certain constraints.

This mathematical model may be as shown in Figure 10.1. Here, the objective/goal g is sometimes given from outside the decision-maker, and is sometimes set by the decision-makers themselves. There are also cases where the exact value of the uncontrolled variable y is not directly perceptible to the decision-maker, who can only perceive it as y' through estimation or prediction. Similarly, the output z may differ from z' , as observed by the decision-maker.

The use of a mathematical model often runs the risk of abstracting away from personal traits and/or career backgrounds of the person involved in management. It is the accepted belief in management science that abstracting away from certain personal factors related to management is an unavoidable cost that must be paid in order to adopt an approach based on mathematical models.

A naive comparison of performance

A comparison of the performance of universities can be conducted as follows with the use of our model. If we define x and z as:

x = total number of employees of university (measure of input);
 z = number of students (measure of output),

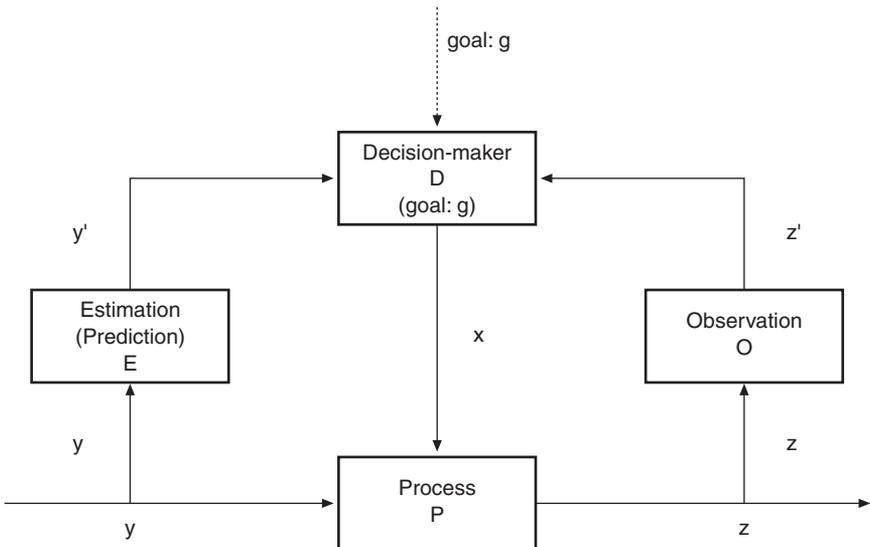


Figure 10.1 Model of decision-making (Tahahara, 1974, p. 266)

then, z/x represents a measure of the system's performance (labour productivity).

Mr. Pratten has drawn several interesting results by comparing the values of z/x in the United Kingdom and Germany. Needless to say, we can use for z measures of performance of the university's research staff, such as the number of Nobel Prize winners on the staff, or some measures indicating the success of its graduates. Whatever measure is used for z , comparing the scores z/x attained by different universities enables us to evaluate whether a certain university's decision-making (i.e. management) is appropriate or not, relative to others.

In the context of our model, the history of a university is embedded in the structure of D (decision-maker), P (process), or f (objective function). Therefore, a university having a good history has a good enough structure of D , P or f already. But does this mean that a university is an entity characterized by a hard structure that does not change over time?

No system exists alone, but does so in relationship with the environment. Universities are no exception. A university affects its surrounding environment, and receives feedback from it. If the university manages to turn out outputs z of high quality, it is rewarded by inputs y of improved quality, attracting faculty and students of higher quality. This results in further improvements in z . A virtuous circle comes into operation, with one success begetting further successes. Furthermore, inputs y from the environment will over the long run produce effects on the very structure of D , P , or f itself. Thus, a prestigious university with a long tradition can continue improving.

The structure and management of the university

A university consists of a diversity of components such as colleges, faculties and departments, and thus its structure is extremely complex. It is inadequate to analyse the university with the simple model shown in Figure 10.1.

The structure of a university may be understood more easily if it is assumed to be a hierarchical system as illustrated in Figure 10.2. Here, decision-makers (D_i ; $i = 1, 2, \dots, n$) of the lowest stratum make decisions coordinated by decision-makers of higher strata (D_{i-1}), and ultimately by the headquarters (D_0). Namely, D_0 coordinates the entire decision-making process in the system. The symbol γ_i in Figure 10.2 stands for coordination, while I_i stands for feedback information. It should be kept in mind that the system is not meant to assign an individual in the group of decision-makers to different rungs of a hierarchical ladder. Instead of being assigned to one specific position, an individual can occupy several different decision points of varying levels.

As I understand the decision-making arrangement at Cambridge University, Regent House is its supreme governing body, but practical governing

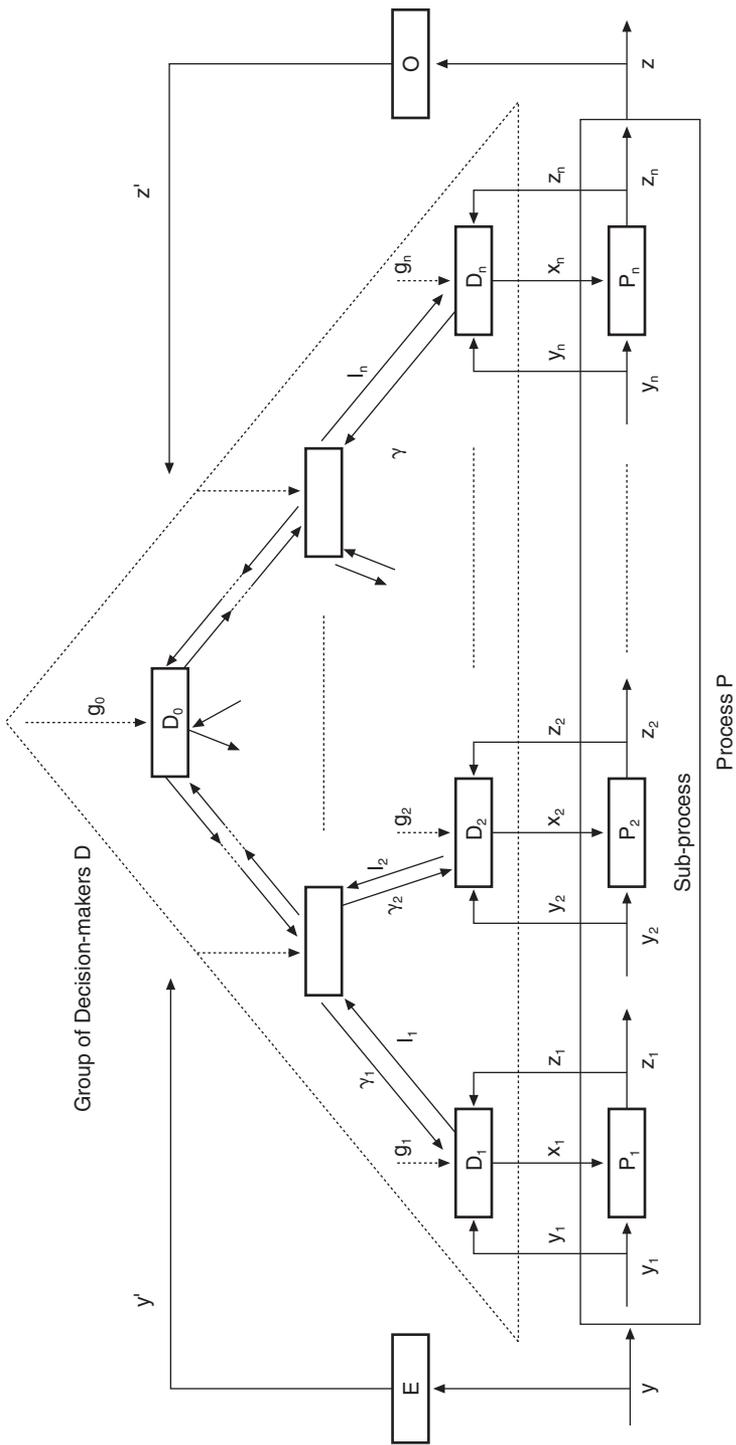


Figure 10.2 Model of hierarchical system

responsibilities are entrusted to the Council, which decides on policies and executes them. In our model, the Council corresponds to D_0 in Figure 10.2. The main responsibility of the full-time Vice Chancellor as a member of the Council seems to be to observe (O) inputs y and outputs z of the University and to detect weaknesses as it develops. The Council also includes College Masters, obviously in order to allow the views and interests of colleges (D_i) to be represented in the Council. Established under the Council are several committees, which are charged with specific functions.

The colleges

At Cambridge University, colleges perform unique roles. Each college exists as a self-governing hierarchical system. This means that each college has the same hierarchical structure in Figure 10.2 as the University.

The system is very democratic in the sense that the Master of each college is appointed by the Fellows of the college. As such, this hierarchical system may be appropriate for organizations with characteristics of clubs, but is inadequate for profit-oriented private companies.

These colleges, while independent from each other in the University's structure, can contribute to the University as a whole by seeking their own goals g_i ($i = 1, 2, \dots, n$). But, if there are any conflicts or collisions among the objectives/goals g_i of different colleges, how are they coordinated, and by whom?

Faculties and departments

Faculties are responsible for offering courses (x_i ; $i = 1, 2, \dots, n$) to undergraduate and graduate students (P_i). Chairpersons of faculties and department heads regulate and coordinate course offerings and study programmes in various ways.

When judged on the basis of contemporary managerial concepts, the University has a typical lean management system. The control by the headquarters (D_0) is always very limited, with much of the responsibility for control entrusted to control (x_i) performed by faculties and departments (D_i). Much of the decision-making power is assigned to faculties and departments. In other words, each decision-maker D_i in the system is able to set and define their own goal g_i by themselves without it being given from above. A faculty chairperson or department head has very wide discretionary power in deciding and regulating the pattern of lecture course offerings and research programmes.

On the other hand, the dividing up of responsibilities in this manner may put the system at risk for being slow to make necessary changes.

Selection of students

Each college selects students for admission in line with the general policy dictated by the central bureaucracy. That is, under the constraint of

$$\phi(\gamma_1, \gamma_2, \dots, \gamma_n) = \alpha \text{ (constant)}$$

each college must decide x_i , what kind of students it will accept for admission. Colleges (D_i ; $i = 1, 2, \dots, n$) are forced to compete with each other in order to obtain the best possible students. Moreover, the environments surrounding the system are diverse and, therefore, each college receives applications (y_i) from a wide variety of students. Disturbances of input y_i fluctuate by large margins. Each college must make appropriate decisions (x_i) while faced with the given constraints (ϕ), competition (g_i) and fluctuating factors (y_i).

Nonetheless, the actual process of recruitment of students at Cambridge University is surprisingly stable. This fact suggests that each college's decision-making structure in the hierarchical system is constructed very elaborately.

Staff

In the management of a private company, the motivation, performance evaluation and control of employees are considered essential for success. In the assessment the academic staff of a university, too, evaluating their performance on the basis of the number of papers published, the number of awards received, the number of citations, and evaluation by students is very straightforward and easy to understand, even if crude. In Figure 10.2, this approach to performance evaluation is equivalent to assessing the values of z_i directly and straightforwardly.

Like UK universities, Japanese universities have traditionally been softer in the assessment of their staff than American universities. Recently, however, an increasing number of Japanese universities are beginning to assess the performance of their staff more rigorously. I personally find this new tendency deplorable, because the values of z_i do not contain direct feedback of information from the surrounding environment, and they also include little information about the degree to which individual staff contribute to constructing the sub-process P_i or generating the objective function f_i . Assessing the value of performance z_i directly commits the error of being too narrow-sighted and leaving out other important factors.

It would be easy to introduce a more rigorous control system into a university, but there is no guarantee that it would be superior to existing systems. At the least, the new system will incur increased costs for monitoring (O). It may also infringe upon individual freedom of research, and spoil human relations. In my view, the introduction of such a rigorous

system of performance evaluation into universities can only produce good-for-nothing results.

Providing of incentives (γ_i), especially pecuniary incentives, to recompense outstanding accomplishments (z_i) is not as meaningful in universities as in private companies. Researchers seeking jobs in universities are rarely attracted by the prospect of obtaining such rewards. Japanese universities are not having any difficulties in recruiting competent researchers, at least for now, if not in the future.

Controlling expansion

When an organization changes, it does so always in response to changes taking place in the inputs coming from outside the system. There are two patterns on which actual decision-making is based for such changes: either the decision is passively induced by the changes in the inputs, or the decision is made actively and adaptively by predicting or estimating (E) the changes in the inputs. The decision-making by a university typically falls into the former pattern.

As the academic market of Japan is affected increasingly strongly by the trend toward globalization, which is gaining momentum across Asia, universities in Japan are finding it unavoidable that they should change themselves in active and bold ways. But the conditions peculiar to Japanese academia could put Japanese universities at a disadvantage in their efforts to take aggressive steps to change themselves. For instance, the fact that Japanese universities generally follow different standards in the granting of doctoral degrees than do western universities may discourage competent Asian students from seeking admission to graduate programmes in Japan.

At present the Japanese economy is bogged down in deep recession, and almost all private companies are being forced to restructure themselves far more drastically than ever. Universities are no exception. There are strong voices calling for the privatization of national universities. Some even argue that privatization of national universities is an ideal form of new public management (NPM).

A matrix type organization

Faculties and colleges make a university a matrix type organization. A matrix type organization in a private company, for example, is typically represented in Figure 10.3, and its decision-making structure may be shown in Figure 10.4. Now, how can we relate colleges, faculties and departments of a university to these figures? It is an interesting and important question.

A matrix type organization is not popular in the private sector today, because it tends to give rise to divided/conflicting goals (g_i) and loyalties (I_i), and also because it entails additional management costs. When applied to a university, it can potentially give rise to the same problems.

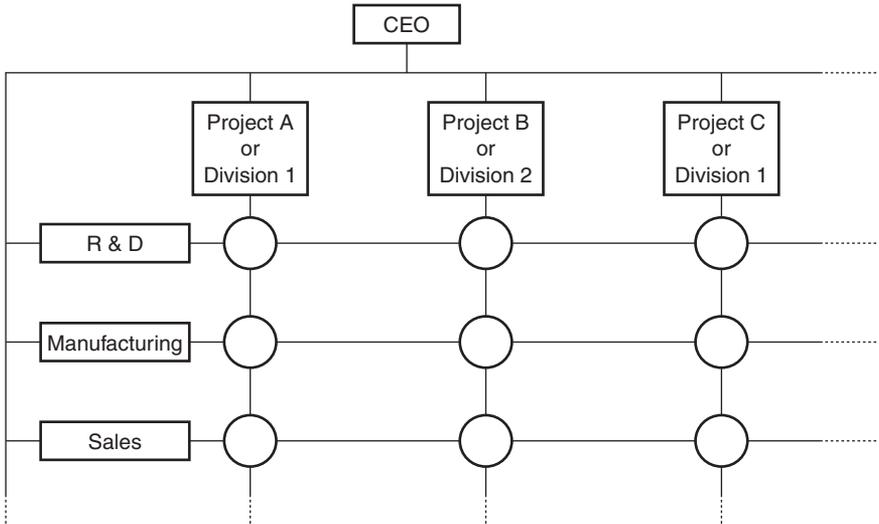


Figure 10.3 Example of matrix-type organization in private sector

Democratic organizations require complicated procedures for arriving at a consensus. In Figures 10.3 and 10.4 this means that the process of horizontal coordination is complex. A complex process of consensus building is time-consuming, and can delay the university's effort to implement change. Japanese universities often suffer from such delays in the progress of their expansion efforts, and sometimes very seriously.

Crises

The serious crises faced by universities are the poor research and teaching activities of their faculties or departments, the output z and input x of poor quality. Japanese universities have already been thrown into cut-throat competition for survival. It is widely believed that many universities with poor research and educational capabilities (say, more than 10 per cent of Japanese universities) will be weeded out within the first decade of twenty-first century.

Another perspective for management decision-making

The decision-making models as shown in Figures 10.1 and 10.2 are useful for analysing the management of a private company, which has the straightforward objective/goal of pursuing profits. These models, however, are not always effective in analysing the management of a university or public sector. Now, I would like to touch on this issue.

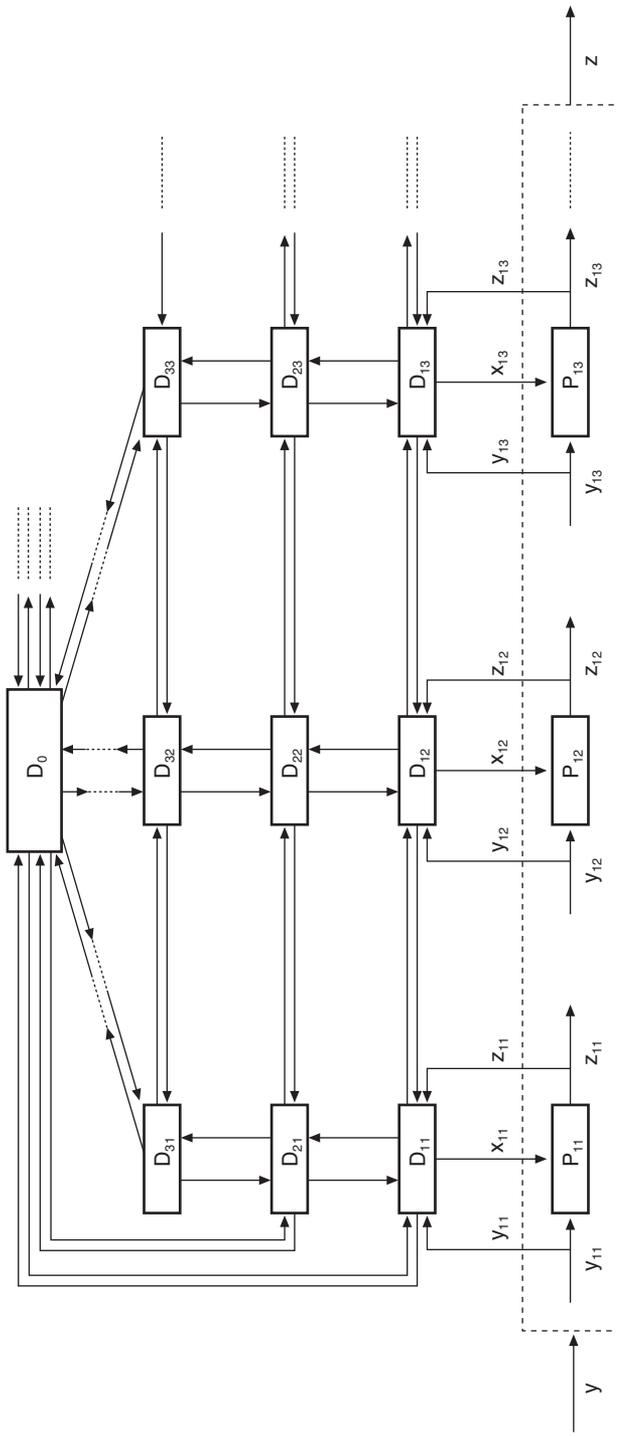


Figure 10.4 Decision-making in a matrix-type organization

Among various features characterizing decision-making for the university or public management, the following seem to be especially noticeable.

- a The decision-maker seldom has clear perceptions of their objectives/goals ($G = \{g_1, g_2, \dots, g_k\}$). Sometimes, therefore, the decision-maker will make decisions without clarifying their objectives/goals.
- b It is rare for the decision-maker to be able to clearly perceive alternatives x_i (values of the controllable variable x) and formulate them into a set $X = \{x_1, x_2, \dots, x_m\}$. In other words, the decision-maker often cannot identify the controllable variable x .
- c It is also rare for the decision-maker to have a clear perception of the environmental factors y_j affecting their decision-making (values of the uncontrolled variable y) and the set of these factors $Y = \{y_1, y_2, \dots, y_n\}$. In other words, in most cases the decision-maker finds it difficult to identify the uncontrolled variable y .

If a problem is to be formulated into a model, and if the solution to the problem is derived from the model by applying a normative theory to it, it is required that the problem's structure should be clearly identified before applying the theory. A normative approach can be useful only when the problem is 'well-structured'. However, many (or even most) decision-making problems of universities or public sectors have characteristics pointed out above. We can describe these problems as 'ill-structured'.

The decision-maker, before carrying out the normative decision-making, must determine the structure of their decision-making problem. In other words, at the first phase of the decision-making process they must decide what is to be decided by them in their decision-making. This phase may aptly be termed 'meta-decision-making' (see Figure 10.5).

The procedure of defining sets G , X and Y and identifying the structure of the problem is sometimes called 'problem structuring' or 'problem

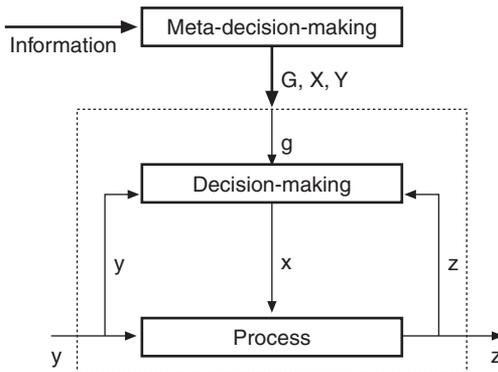


Figure 10.5 Model of meta-decision-making

formulating', and what I call meta-decision-making is virtually synonymous with these expressions.

I believe it is useful to consider management of a university (and of the public sector) from the perspective of meta-decision-making. For instance, let me introduce here a case in which a university has failed to deal with meta-decision-making properly.

The university built a new building to house staff offices. Academic staff are as egotistic as they can be when it comes to the question of research. They make endless demands concerning office layout, fixtures and so on. The building committee decided to supply all the offices with fixtures of the same design, by bulk buying. It was expected that with this decision, the egotistic demands of staff would be successfully restricted, and the procurement cost of fixtures would be minimized. Consequently, every office was completed with the same layout, that of Figure 10.6. When the new offices were unveiled many staff were not pleased, particularly because the bookshelves of each office were fixed to the walls. To be sure, in earthquake-prone Japan it is an established practice to fix bookshelves to the walls by way of precaution against earthquakes. But by fixing them to the walls in a uniform manner without obtaining the consent of each member of staff, the building committee deprived members of staff of the freedom to lay out office fixtures for themselves.

The building committee for its part had to do its best to minimize the costs of construction. To accomplish this goal, it should be allowed to order office fixtures of the same specifications in bulk. Staffs for their part must do their best to produce the best quality research output as possible. To enable them to accomplish this goal, they should be given the greatest possible freedom to lay out their own offices in ways they find most conducive to their research activities.

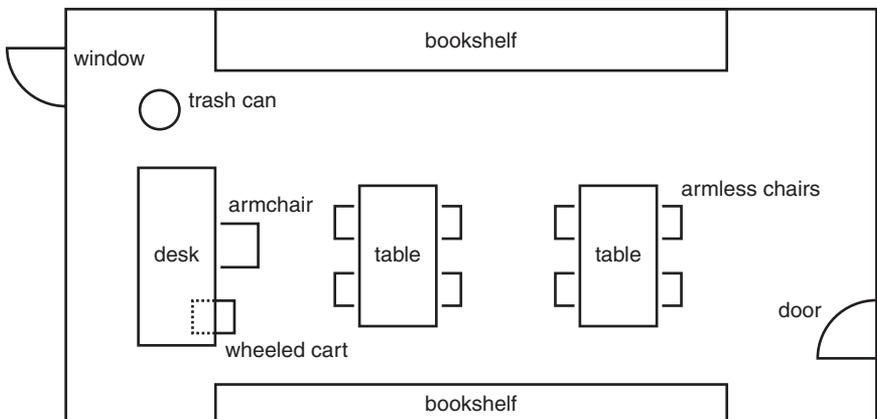


Figure 10.6 Office layout

The building committee obviously erred in their meta-decision-making. It should have decided first to divide the set X into $\{X_0, X_i\}$, and then to feed X_0 to itself, and X_i to individual staff i . Here, X_0 and X_i are respectively defined as the following sets:

$$X_0 = \{\text{alternatives of plans concerning procurement of fixtures}\}$$

$$X_i = \{\text{alternatives of layouts for office } i\}$$

Under this decision, all the authority over decision-making concerning procurement of fixtures could have been retained by the building committee, while all the authority over decision-making concerning layout of fixtures in individual offices could have been assigned to the individual staff concerned, thereby enabling the building committee to accomplish its goal of minimizing the cost for fixture procurement, and enabling staff to accomplish their goal of securing comfortable circumstances for research.

This example illustrates that wrong meta-decision-making can prove troublesome. It seems quite easy to find cases of similar errors being committed in the management of universities as well as the public sector. The concept of meta-decision-making must be a basic framework within which to analyse public management and to assess the effectiveness of the new public management activities.

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Part IV

Symbiotic aspects of governance

11 Symbiotic mechanisms and agricultural policies

Kenji Horiguchi

The case of symbiotic mechanism – flood control has been helped by the agricultural sector

Agricultural resources of a local community, such as farmland and water, contribute not simply to private economic activities but also to economic activities within the community as a whole and, as such, should be regarded as quasi-public resources. Collective and collaborative efforts of the community can and should play an important role, along with local governments and private economic actors, in the management and use of these resources.

A typical example of such a collective undertaking is a land improvement district. Organized by a group of farmland users in a certain district, its members perform the role of collectively taking care of a system of managing the water and land resources in the district. It is neither an organization fully dependent on local government, nor a means of dividing all its resources among private actors with the consequent risk of inefficient management, but rather an organization for the sake of joint use of its resources by the group of land users concerned.

Local government in Japan often does provide subsidies to, or undertake joint projects with, land improvement districts. But such involvement of local government is made not only from the economic standpoint of encouraging private utilization of water and farmland resources, but also from the much wider perspectives of improving the well-being of the community as a whole. Though a collective undertaking by farmers, a land improvement district affects the interests of the non-agrarian population of the community, and thus serves as a vehicle for promoting a symbiotic relationship between the community's farming and non-farming sectors.

If a local government opted to improve the general well-being of a local community as a whole by paying all the start-up costs for the construction of necessary facilities and the cost of their maintenance, the financial burden would be enormous. However, by utilizing the facilities of a land improvement district with its quasi-public functions, local government can accomplish the same purpose more efficiently through this joint

or collective undertaking. The use of land improvement districts seems to have much in common with the concept of Private Finance Initiative (PFI).

Let us take as a concrete example, Kamedago Land Improvement District in Niigata Prefecture. Established with the main purpose of administering the irrigation and water-drainage of paddy fields in the City of Niigata and the neighbouring townships of Kameda and Yokokoshi, the land improvement district is also in charge of flood control in an area called Kamedago, or Kameda district, an area of 11,000 hectares surrounded by dikes of the Agano, Shinano and Ko-agano Rivers. Covering part of the City of Niigata, measuring 11 kilometres north–south and 12 kilometres east–west, and containing 4,800 hectares of farmland, Kamedago is mostly low-lying marshland, with 66 per cent of its land area lying below the water levels of the surrounding three rivers. The entire area is shaped like a cone, with the bottom of the cone forming Toyanogata (Toyano Swamp), which is so habitually inundated that the area was traditionally called an *ashinuma* (reed swamp) or a ‘lake not shown on a map’. Thus, not only water drained from farm fields within the area, but also household wastewater from residential areas of the City of Niigata, flows down into the swamp.

If the water constantly flowing into the swamp is not drained, not only would the area’s farmland become submerged under the water, but also many of the residences of approximately 250,000 people (including approximately 6,000 houses of farming families) would be flooded up to, or even above, floor level. For this reason, the land improvement district is obliged to keep operating its pumps, ostensibly for agrarian use, throughout the year. The water level of the swamp in normal times is 2.1 metres below sea level, while the water level of Shinano River into which the swamp’s water is drained is one metre above sea level. For many years, however, many citizens of Niigata City have been unaware that their homes are below sea level, and that the safety of their residences is sustained by the land improvement district’s agrarian water draining pumps.

Kamedago Land Improvement District was established in 1951 as an outgrowth of Kamedago Land Consolidation Society, which came into being in 1948 through mergers of several land consolidation societies that had been in existence since pre-war days. A total of 8,100 hectares of farmland under the care of the land improvement district’s care at its inception was serviced by Kurinoki Drainage Pumping Station (with a draining capacity of 40 tons per second), which was built in 1948 for draining water to Shinano River via Kurinoki River. Subsequently, however, chronic land subsidence and the Niigata earthquake of 1964 rendered the pumping station ineffective, necessitating the construction of a new pumping station. In 1968 Oyamatsu Drainage Pumping Station (with a draining capacity of 60 tons per second) was built at a total construction cost of over 3.1 billion yen for draining Kamedago water directly into the Shinano River, via the newly dug 1.4 kilometre-long Oyamatsu Head-race.

Meanwhile, however, conversion of farming land plots to residential land plots and urbanization proceeded rapidly. (The total farmland area of Kamedago today stands at 4,700 hectares, compared with 6,400 hectares used for non-farming purposes, of which 3,300 hectares have been converted from farming plots.) Consequently, Toyano Swamp received an increasing amount of wastewater from non-farming land plots, in addition to the drainage water from the farm fields, making it necessary for the Kamedago Land Improvement District, organized by 4,984 farming households, to assume responsibility for water draining and flood control for the entire area.

However, the rapid pace of urbanization and the accompanying growth in the use of concrete and asphalt as building and pavement materials made the run-off coefficient of the area in times of torrential downpour dangerously high for the Oyamatsu Drainage Pumping Station to handle, even if operated at its full capacity. Such was the case when the area was flooded in August 1995 (as a result of a heavy downpour of 254 millimetres a day, with a maximum hourly rainfall of 40 millimetres) and when the area was hit by a record-breaking heavy downpour on 4 August 1998 (with a total rainfall of 265 millimetres for the day, and a maximum hourly rainfall of 64 millimetres, the heaviest observed by Niigata Weather Station in its entire history). The damage done by the August 1998 flood was especially serious; not only was the area's farmland inundated, but newly developed residential districts near Tsusen River and Toyano Swamp were also severely damaged. It was not until then that the citizens of Niigata City began to take a serious view of the situation.

Needless to say, the land improvement district has been receiving various forms of support from the national and local governments. Oyamatsu Drainage Pumping Station itself is under the ownership and management of the prefectural government of Niigata, and an annual expenditure for its operation and maintenance totalling 280 million yen is borne 27 per cent by the national government, 46 per cent by the prefectural government, 19 per cent by the municipal governments concerned, and 8 per cent by the land improvement district. The Ministry of Construction is also planning to construct a new drainage pumping station with a draining capacity of 40 tons per second, and to do so as a national project just beside Oyamatsu Drainage Pumping Station. (It is estimated that the additional draining capacity is enough only to prevent flooding of houses above floor level, and that an additional capacity of 80 tons per second would be needed to prevent flooding of houses below floor level.) However, three remaining drainage facilities with a combined draining capacity of 36 tons per second are all administered by the land improvement district, which also bears 29 per cent of their operation expenses. In times of flood when Oyamatsu Drainage Pumping Station, even if operated at its capacity, cannot prevent the water level of Toyano Swamp from rising, the land improvement district makes it a policy to close the gates of

drainage canals leading from farming plots to the swamp, and to drain the flooding water into Agano River against the water flow. This policy is followed so as to prevent the water level of Toyano Swamp from rising in excess of the drainage capacity of Oyamatsu Drainage Pumping Station, even if this results in inundation of paddy fields. In other words, the land improvement district gives a higher priority to preventing the flooding of residential districts than to preventing the flooding of farm fields.

It should be pointed out that, out of Kamedago Land Improvement District's planned expenditure of 13.2 billion yen for fiscal year 1999, 6.3 billion yen was paid in the form of subsidies from the national, prefectural and municipal governments, with the balance paid out of levies imposed on the individual members of the district, revenues from the sale of farming plots for non-farming purposes, and common funds saved by the district in preparation for acquisition of state-owned land to be transferred for private ownership.

The payment of subsidies by the national and local governments to Kamedago Land Improvement District is a rare, cutting-edge case. Many other land improvement districts in Japan, despite producing important external economic effects in addition to improving agricultural infrastructures, are not usually subsidized by public funds, but are operated primarily at the expense of their members.

The case of Kamedago reveals that if the municipal governments concerned choose to deal with household wastewater in the area by constructing a large-scale sewage disposal system without relying on Toyano Swamp, they will have to expend enormous amounts of money and time. In this sense, their current policy of handling the sewage problem by relying on the land improvement district's drainage facilities for agricultural use, and by paying portions of the costs of their operation and maintenance, seems to be very practical. The case of the Kamedago Land Improvement District is indicative of how a land improvement district's potential to serve common, public interests can be tapped and put to effective use, and also where such a system still leaves much to be desired.

In order to better understand the potential of land improvement districts to serve common, public interests, it is worthwhile looking more closely into the characteristics of such districts. In the subsequent sections, therefore, the development of land improvement districts in Japan since the end of World War II is examined.

The establishment and ideals of the Land Improvement Law

The Land Improvement Law came into effect in August 1949 shortly after the war on the basis of several pertinent pre-war laws and the history of government support programmes for land improvement. As such, the 1949 law included both new elements and old elements.

One important new feature was the replacement of landowners, who had

previously been regarded as the main agents of land improvement, by cultivators. The new law also provided for the establishment of a land improvement district as a new organization, and established an integrated system wherein a group of cultivators would file an application for establishing a land improvement district to launch land improvement work, and carry out and manage the undertaking on their own initiative. As we shall see, the law envisioned that all land improvement projects, including both those administered by the national government and those administered by prefectural governments, should be launched, in principle, by land improvement districts to be established on the initiative of the cultivators concerned.

The most important heritage from the pre-war system was the idea that a land improvement work, though governed by the principle that the beneficiaries should pay for the bulk of it, would be eligible for national and prefectural subsidies. Moreover, the law called for a subsidization system which would guarantee higher subsidization rates to larger-scale land improvement projects, and thereby characterized these projects as a means by which the government could pursue its economic policy objectives. The Ministry of Agriculture and Forestry's expenditure for land improvement works was classified as part of its expenditure for public works projects. Compared with public works projects undertaken by the Ministries of Construction and Transportation which are fully financed by government funds, land improvement works constitute a rather peculiar type of public works projects, in the sense that they are partly governed by the 'beneficiaries pay' principle. Land improvement works, which are for the improvement of privately owned farmland, also radically differ from other public works projects which are undertaken on publicly owned land plots.

Contents of the Land Improvement Law

Expanding the purpose of land improvement

As defined in Paragraph 1 of Article 1, the purpose of the Land Improvement Law now in effect is to

improve and develop infrastructures for agricultural production through proper and smooth implementation of undertakings concerning improvement, development, maintenance, and collectivization of farmland, . . . thereby to help promote the improvement of agricultural productivity, an increase in total agricultural production, selective expansion of agricultural production, and agriculture structural improvement.

This paragraph was introduced as part of the 1964 revision of the Land Improvement Law, a revision that was necessitated by the enactment of the Fundamentals of Agriculture Law in 1961.

Compared with the purpose of the Land Improvement Law as defined in its original version, with its emphasis on improvement of the fertility of farm fields, or improvement of the productivity of land, the revised 1964 law switched its emphasis to a view that regards land improvement primarily as a means of promoting structural improvement of agriculture. It thus puts greater emphasis on the types of farmland consolidation projects aimed at improving the productivity of labour which would facilitate, or would be accompanied by, the adoption of improved technologies with additional investment outlays. Moreover, the definition of land improvement work was expanded to include work for improvement and development of pasture land, so as to help accelerate the development of the then fast-growing cattle-raising sector.

Subsequently, steps continued to be taken to change and expand the contents of land improvement works, even though the wording of the Land Improvement Law's purpose itself remained unchanged. The law's revision in 1972 introduced the practice of region-wide land improvement for application to land improvement works involving replotting. This practice was meant to incorporate non-farmland plots scattered within the area of a land improvement work into the project area and to create, through exchange and consolidation, public land spaces and land plots for the construction of industrial plants. Another major change made by the 1972 revision of the law was the addition of a new provision meant to deal with the growing trend towards urbanization of agrarian communities, that is, a provision which called for harmonious adjustment between agricultural and non-agricultural uses of land improvement districts' drainage and other facilities, in such a way that these facilities would handle wastewater from non-agricultural sources and would be adequately compensated for such extra service. Thus, the revised law began to seek ways which would enable the agricultural sector of an agrarian community to live side by side with the non-agricultural sector.

The law was further revised in 1984 to deal with a community-wide sewage problem which had been growing increasingly serious with the increase in the ratios of non-farming to farming populations living in agrarian communities. By introducing a procedure of prefectural governors' arbitration into the consultation system at the municipal level, introducing legal provisions concerning the procedure for implementation of projects for improvement of drainage facilities of agrarian communities, and revising the method of replotting for use as a means of creating non-farming land plots, the revised law changed the contents of land improvement works in such a way that these projects could play a part in improving the environments of agrarian communities, and in developing the agricultural and non-agricultural sectors of agrarian communities in a unified and coordinated manner. These changes in the law were meant to bring land improvement districts to act in a symbiotically closer relation-

ship with the non-agricultural sector and perform broader community-wide functions in agricultural communities.

Beginning in fiscal year 1993, what had previously been called 'expenses for improvement of agricultural infrastructures' were renamed 'expenses for projects to improve agriculture and agricultural communities' to allow for the launching of new types of land improvement works. The 'expenses for projects to improve agriculture and agricultural communities' were broken down into three categories:

- a expenses for projects to improve infrastructure for agricultural production, which would be used for improving the productivity of farming operations;
- b expenses for improvement of agricultural communities, which would be used for improving the livelihood environments of agricultural communities; and
- c expenses for projects to maintain and manage farmland, which would be used for the maintenance and management of farmland in agricultural communities.

Evident here is the emergence of a new approach to land improvement which emphasizes the development and improvement of a land space called an agrarian community, not simply of agriculture, and the necessity of maintaining and managing farmland as part of the livelihood environments of such a community.

Only the first of the three expense items listed above, namely expenses for projects to improve infrastructures for agricultural production, is supposed to come under the purview of the stated purpose of the existing Land Improvement Law, which makes no explicit provision for the remaining two. If land improvement works are to include those for development and improvement of the livelihood space and non-agricultural infrastructures in an agrarian community on a community-wide basis, and those for preservation of environments and for the maintenance of farmland conducive to the development of the sustainable and low-input farming operations rather than productivity-oriented farming operations, these undertakings should be explicitly defined as part of the objectives of a completely new land improvement law, or a new law with a more appropriate name. Such a law should also define water rights not as the right to use irrigation water, but as the right pertaining to the use of a community's water resources. This is necessary because, if a land improvement district with its water rights is to be deeply involved not only in the development and maintenance of agricultural infrastructures, but also in the utilization of the land space of a community as a whole, then it must also assume responsibility for the utilization and drainage of water resources of the community as a whole. Only by involving itself in the management of a community's water resources – not only for use in agricultural

operations, but more broadly for various everyday uses such as fire fighting, snow dissolution and cleaning and for recreational uses by the entire community – will a land improvement district be able to develop, improve and manage the community's water resources for the benefit of the entire community.

Various types of land improvement works and qualifications for membership of a land improvement district

Projects implemented under the Land Improvement Law are called land improvement works, and are broken down into seven categories:

- 1 construction, management, abolition or modification of facilities for draining agricultural water, farm roads and other facilities necessary for the maintenance or utilization of farmland;
- 2 land rearrangement;
- 3 creation of farmland;
- 4 reclamation of farmland from lakes, ponds or the sea;
- 5 rehabilitation of farmland and land improvement facilities devastated by natural calamities;
- 6 exchange and consolidation of rights concerning farmland, land titles necessary for the use of farmland, rights concerning agricultural facilities, and rights concerning the use of water; and
- 7 other undertakings necessary for the improvement or maintenance of farmland.

Moreover, all these projects are supposed to be applied primarily to farmland.

This means that, as pointed out above, it is questionable whether the stipulations of the Land Improvement Law are applicable to land improvement works that aim to develop the whole expanse of an agrarian community. Furthermore, if the membership in a land improvement district is limited to farmers, as explained immediately below, it is questionable whether a land improvement work can be easily applied to the entire land space of an agrarian community with a large percentage of non-farming population. In these respects, it seems imperative that a serious inquiry should be made as to whether the concept of land improvement should be radically and qualitatively expanded.

For the time being I will limit myself to discussing the question concerning the qualifications for membership in a land improvement district, a question that is within the existing framework of the law's application. It should be pointed out, however, that given the law's stipulation, in Article 3, about the qualifications for membership in a land improvement district, which clearly states that for a non-farming plot of land the owner of the plot can become a member of a land improvement district, it may be pos-

sible to apply the law to a land improvement work in a wide sense that deals with an agrarian community as a whole (even though it still remains questionable whether the idea of making owners of non-farming plots of land eligible for a land improvement district is indeed appropriate or not).

A wide variety of parties may have interests in a certain plot of land, including its owner, a leaseholder, a person holding the right of land utilization, a mortgagee, a superfiarius and a servitude holder, and often these title holders can be different individuals. It is well known, moreover, that since the latter half of 1965 the national government has taken steps to revise the Agricultural Land Law and to enact the Law for Promotion of Improved Utilization of Agricultural Land, with the explicit aim of making the use of farmland more flexible by encouraging leasing of farmland.

But the question that remains is whether the Land Improvement Law has properly adapted itself to this development. As already pointed out above, the law as a matter of its official stand continues to uphold the principle that cultivators should take the initiative in organizing and managing a land improvement district. Although this position, taken by itself, is not mistaken, the principle of according a priority to cultivators is founded upon the assumption that the majority of farmers are owner-cultivators and that a small number of tenant farmers are heavily protected by the Agricultural Land Law's stipulations safeguarding the rights of leaseholders. The Land Improvement Law stipulates that for a certain plot of land there can be only one member of a land improvement district, and that two or more parties having interests in the plot (for instance, its owner and tenant) cannot become members simultaneously. With regard to the question of how to adjust conflicts of interest among different parties, such as conflicts over distribution of costs of land improvement, the law has separate provisions in Article 58 and successive articles.

On the question of which party with interests in a certain plot of farmland is eligible to the land improvement district concerned, the existing Land Improvement Law as a matter of principle grants membership to the individual having the right to use and gain earnings from the plot, with the exception that the owner of the plot may be granted membership when the local agricultural commission concerned determines this to be appropriate and makes a public announcement to that effect. It should be pointed out, however, that with regard to the creation of a right to utilize a farming plot in accordance with the Law for Promotion of Improved Utilization of Agricultural Land (now incorporated as part of the Law for Strengthening the Foundations for Agriculture), which has had decisive impacts in raising the level of flexibility in farmland use to its present level, a directive was issued in August 1980 by the administrative vice-minister of Agriculture, Forestry and Fisheries, the 'Directive on the Enforcement of the Law for Promotion of Improved Utilization of Agricultural Land'. The directive explicitly instructs officials of prefectural governments in charge of matters concerning land improvement districts to see to it that

in principle the owner of a farming plot, not the holder of the right of its utilization, should be accorded membership in a land improvement district under Article 3 of the Land Improvement Law. While approving the granting of membership to the leaseholder if this is deemed appropriate in view of local realities, the directive prefers the granting of membership to the landowner on the grounds that this will facilitate smooth implementation of land improvement work and that the term of a lease is short at least as a matter of formality. At the same time, however, the directive admits that it will be more appropriate for the holder of the right to utilize a land plot to take part in the land improvement work in cases where the landowner is not much interested in continuing farming operations; the holder of the right to utilize the land plot is likely to use the land for an extended period, to be willing to improve the land, and will already have reached an agreement with the landowner about the distribution of the cost of land improvement between them. This is the case where the land improvement work concerned is characterized as one for maintenance and management of land or other purposes, and is unlikely to bring about significant changes in the manner of land utilization.

In reality, however, even in cases where the right of land utilization has grown long, or in cases where landowners have moved to large urban centres and have become absentee landowners, most of the land improvement districts in prefectures other than Hokkaido regard such landowners as meeting the membership requirements of Article 3 of the Land Improvement Law. This is the common pattern I have observed in my field surveys. Indeed, the administrative vice-minister's directive has had significant implications.

This directive, it should be pointed out, matches the Land Improvement Law with its manifested principle of attaching importance to cultivators, which derives from the Land Reform and Agricultural Land Laws with their emphasis on the idea of establishing an agricultural system centred around owner-cultivators (as well as tenant farmers with their heavily protected right of cultivation). In other words, if the right of cultivation grows weaker, and if the term of lease is short enough, the directive's insistence that landowners should be regarded as meeting the membership requirements of Article 3 of the Land Improvement Law may be in accord with the existing Land Improvement Law. Yet, when considered as a matter of principle, the directive is incompatible with the principle of attaching importance to cultivators in its true sense. The principle of attaching importance to cultivators as the agents of land improvement should mean that, if land improvement works are to contribute to the improvement of farming operations and their productivity, and ultimately to the growth of the national economy, then such projects ought to be carried out primarily by the cultivators concerned, not the landowners. This view maintains that the cultivators who are using the land plots concerned are best equipped to carry out the projects successfully, meeting the needs of the times properly.

Thus, in the face of the fact that the right of cultivation has grown weaker than that of the lease under the Agricultural Land Law, what is important is to find ways of overcoming this weakness, for instance, by taking steps to establish a well-defined mechanism for the repayment of beneficial expenses. Given the fact that land improvement work can be carried out with the consent of two-thirds or more of the parties concerned, affecting the entire designated area and compelling a minority opposed to the project to go along with it, it is imperative that the project be carried out primarily at the initiative of the land users concerned. Only this way will it become possible to put public restraints on the arbitrary exercise of the right of land ownership.

I am also aware of an argument in favour of organizing a land improvement district primarily by the landowners concerned because, it is asserted, this will insure the district against possible failures of its members to repay their portions of the district's loans from the Central Bank of Agriculture and Forestry. Indeed, it is argued that in the event of failures by some members to honour their debt-paying obligations, the district can exercise its legal force to seize their properties in amounts equal to their unpaid debts and interests, and if all its members are landowners, it can do this easily and safely by seizing their land plots. However, the possible debt problem faced by a land improvement district derives from the two facts that land improvement work, by its very nature, has no room for considering the possibility of unpaid levies (that is, a project is launched on the premise that the expected gains will be enough to pay back the levies), and that a land improvement district (unlike an agricultural cooperative, which is an economic organization) is not equipped with a system for dealing with fixed debts. In addition, a land improvement district may face a debt problem when, for instance, a long delay in the construction work or rampant inflation throws its original budget for the land improvement work into total confusion, or when prices of agricultural products are in the doldrums, as at present. These problems are totally unrelated to the question of who should be regarded as meeting the membership requirements of Article 3, and, as such, should be solved separately. The Land Improvement Law provides that any debts incurred in connection with land improvement work shall belong to the plot of farmland concerned, and shall be passed to the subsequent user or purchaser of the plot. This provision is adapted for land improvement work undertaken by owner cultivators or by landlords. Proper ways of dealing with fixed debts or arrears incurred by tenants as a result of their participation in land improvement work, as well as adequate ways of demanding the payment of beneficiary expenses, should be considered more carefully together with other pertinent factors.

Aside from these, the practice of assuming the landowner as the bearer of the cost of land improvement is also adopted in the calculation of standard tenant rates. In a booklet titled *Hyojun Kosakuryo Kaitei no Tebiki*

(A Guidebook for Revisions of Standard Tenant Rates; published in 1989 by the Agricultural Policy Investigation Commission), the Ministry of Agriculture, Forestry and Fisheries instructs local agricultural commissions to approach questions concerning the lease of farmland from the standpoint that it is normal for tenants to bear the costs of maintaining and managing the leased land plot. The booklet asserts as follows:

As pointed out in the earlier explanations about the cost of land improvement and water charges, it is necessary to be careful not to count the repayment for the cost of land improvement work as part of the cost figure for use in calculation of standard tenant rates. To do so is theoretically erroneous, and moreover is to assume the leaseholder has borne the cost of land improvement work, and thereby gives rise to a problem about repayment of beneficiary expenses with the parties concerned having no knowledge of it.

For sure, to regard the repayment for the cost of land improvement, in place of the depreciation cost, as constituting the cost figure for calculation of standard tenant rates may be, strictly speaking, theoretically mistaken, and it may not be desirable to give rise to a problem concerning repayment of beneficiary expenses while the parties concerned remain fully unaware of it.

Even so, it is highly questionable whether, in calculating standard tenant rates for plots of land under lease, it is fully justifiable to regard landowners alone as meeting the membership requirements of Article 3.

Establishment of a land improvement district and its contents

The Land Improvement Law, in its Chapter 2 on land improvement works, stipulates the procedures by which these projects should be implemented, and does so by classifying projects into four different categories in accordance with the subjects, and defines the procedures to be followed by each category of projects. The four categories of project undertakers are: land improvement districts (or federations of such districts); the national or prefectural government; agricultural cooperatives, federations of agricultural cooperatives, juridical persons for farmland maintenance and rationalization, or co-executors; and municipal governments. The procedures for the implementation of land improvement works which do not involve construction or civil engineering work, namely, those for exchange and consolidation of land plots, are stipulated separately in Chapter 3 of the Land Improvement Law.

In this subsection, I would like to focus attention on land improvement works carried out by land improvement districts, and on the organizational make-up of such districts, thereby considering what goals the existing Land Improvement Law is pursuing. Focusing attention on land

improvement districts seems justifiable because the procedures defined by the law for projects undertaken by these districts set the guides that could be applied to projects undertaken by other kinds of project undertakers.

Article 5 of the Land Improvement Law provides that a group of fifteen or more individuals satisfying the membership eligibility requirements of Article 3 may specify a certain area of land including the plots in which they have interests, and may, upon being given the permit to do so by the prefectural governor concerned, establish a land improvement district for that particular area, and for the purpose of carrying out a land improvement work with regard to the area.

The law also provides that, while plots of land for non-agricultural uses require the consent of all the parties having interests in them, including their landowners and leaseholders, plots of farmland, in order to be included in a land improvement district, only need the consent of two-thirds or more of the individuals meeting the membership requirements of Article 3. This provision, which reflects the basic philosophy dictating the Land Improvement Law, means, on the one hand, that the very initiative to launch a land improvement district should come from those meeting the membership requirements of Article 3 (and this is also the case with land improvement works administered by the national government or prefectural governments, which are launched in response to proposals made by the farmers concerned). On the other hand, it means that every decision about the establishment of a land improvement district can be made by the consent of a two-third majority of those meeting the membership requirements of Article 3 (though, in reality, initiators of a land improvement district usually try to obtain the consent of nearly all the individuals in the area who are eligible to the district), that the majority group can compel the minority group which encompasses less than one-third of the eligible individuals to take part in the district against their will, and that, in principle, the establishment of the district does not require the consent of the landowners concerned.

It should be pointed out that the pre-war Farmland Improvement Law required the consent of those representing two-thirds or more of the total land area concerned as the condition for the establishment of a land improvement district, not the consent of two-thirds or more of the individuals eligible to such a district as required by the current law. The reason why the post-war law did not adopt the land-area-based two-third majority rule is unknown. Given, however, the fact that social stratification of farmers has proceeded to a significant extent and the agricultural structure of Japan, which in the post land-reform period was once centred around homogeneous owner-cultivators, has virtually collapsed now, land improvement work may be carried out more efficiently in a space-wise sense if a decision to establish a land improvement district is made by the land-area-based two-third majority rule. This issue deserves further consideration in the future. At any rate, there is no denying that among various laws in

effect in Japan, the Land Improvement Law, which allows a two-third majority to forcibly impose its will on the remaining one-third minority, is very peculiar, perhaps matched only by the Urban Renewal Law with its provision that an urban redevelopment association, the vehicle for the redevelopment of a certain expanse of inner-city land area, can be established by winning the consent of those representing at least two-thirds of the total land area concerned, as well as the consent of at least two-thirds of the total number of individuals concerned. This is the very reason why land improvement work for consolidation, for instance, of farmland, which is private property, gets as much as three-quarters of its total expenses subsidized by public funds.

With regard to the establishment of a land improvement district for purposes such as the creation of land for agricultural use, the law provided that such a district can be established only with the consent of all the eligible individuals outside the land area concerned. On the question of how to deal with individuals unwilling to approve the improvement work, the law (in Article 6) stipulates steps to be taken to win their consent, and about consultation, mediation and arbitration.

An authorized land improvement district becomes a juridical person. Having the salient characteristics of a public corporation, a land improvement district, which is one variety of what is known as a *kokyo kumiai* (public association or society), is very similar in nature to local public entities. As such, and like other public associations or societies, it is not required to have its name entered in the registry. Moreover, it is allowed to monopolize the name of 'land improvement district' (Article 14).

On the question of imposition of the expenses of land improvement on each land plot, the district is required to 'assess the benefits to be enjoyed by the land plot concerned as a result of the land improvement concerned, by duly taking into account the land plot's size, its irrigation requirement, and other objective indices' (Article 36, Paragraph 2). Since, however, it is difficult to assess objectively the benefits accruing to different land plots, many land improvement districts allocate the expenses primarily in proportion to the size of each land plot, making adjustments for different types of land plots (whether they are paddy fields, dry fields or plots for greenhouses), and sometimes for the irrigation requirements of different plots. The appropriateness of the methods used in allocating the expenses among various land plots needs to be examined more closely. When there are any overdue charges or related arrears or failure fees that remain unpaid, a land improvement district can ask the municipal office to collect these unpaid sums on its behalf. In such an event, the district has a high priority right which is next only to those of national taxes and local taxes (Article 39). In other words, a land improvement district is actually equipped with administrative powers of execution.

It should be pointed out, however, that a land improvement district's right to collect payments in arrears is not fully effective in cases of bank-

ruptcies by farms overburdened with debts, as sometimes seen in Hokkaido and other areas. In these cases, a land improvement district's effort to recover the bankrupt farmers' unpaid debts by seizing some of their property often proves ineffective in coping with the financial institutions (such as agricultural cooperatives and public finance corporations) which have provided loans to these farmers on the security of their farm fields, and which try to settle their claims in civil courts. One important question to be considered in the future is how the procedure for dealing with the fixed claims of leaseholders, which are especially difficult to recover, can be properly incorporated into the finances of a land improvement district.

With regard to the succession to rights and obligations associated with a plot of land, the law stipulates that such rights and obligations shall be transferred to the individual who subsequently obtains the plot-specific membership in the land improvement district, and that a member who loses his membership in the district upon transferring his farmland for non-agricultural uses must settle his determinate claims and obligations by paying his outstanding debts to the district (Article 42). As noted already, however, in order to consider the proper way of dealing with the succession to the rights and obligations of a leaseholding district member, it will be necessary to deliberate on the concrete problem of how beneficiary expenses, fixed debts and arrears should be handled.

The law stipulates that if a land improvement project, upon its completion, leaves behind any facilities for land improvement that have resulted from the work, the land improvement district concerned should manage such facilities (Article 57). It is certainly reasonable to assume that it will be most appropriate for these facilities to be managed by the land improvement district that is organized by their users. Because of this provision, however, a land improvement district established under the Land Improvement Law is forced to perform two different roles: the role of carrying out land improvement work, and the role of managing the facilities created by the improvement work. It is questionable whether this provision should indeed be kept intact.

Land improvement works undertaken by the national or prefectural government

Just like a land improvement work undertaken by a land improvement district, one that is undertaken by the national or prefectural government is also initiated by an application filed by a group of fifteen or more local farmers, and its implementation requires the consent of two-thirds or more of the farmers in the area concerned who are eligible under Article 3 to form a land improvement district. It falls within the scope of discretion of the state or prefectural government to decide whether the proposed work is worth being implemented and then, once the proposal is accepted, to

accord a proper priority to the work, or place some restraints on it by referring closely to allowable expenses under the limited budget.

It should be noted that different minimum acceptable sizes are specified for works to be undertaken by the national government and those by prefectural governments. For instance, in order to be considered for possible implementation as a state-administered project, an irrigation and drainage work should be expected to benefit approximately 3,000 hectares or more of land area, while the corresponding figure for an irrigation and drainage work undertaken by a prefectural government is 200 hectares or more. The minimum required area to benefit from land improvement works varies significantly from one type of work to another, but within the same category of work the minimum required for a state-administered project is always larger than that for a prefectural-government-administered project.

Besides these works are some that are launched in response to applications filed by municipal governments (Article 58, Paragraph 2). There are two types of land improvement works launched in response to applications filed by municipalities. The second is works initiated by the filing of ordinary applications, 'ordinary' in the sense that a municipal government files an application for work with the consent of two-thirds or more of the individuals in the area concerned who are eligible to form a land improvement district; and works initiated by the filing of special applications, 'special' in the sense that a municipal assembly decides to file at its own initiative an application for a work without obtaining the consent of the concerned local residents. The system of filing applications by municipalities for land improvement works was introduced as part of the 1972 revision of the Land Improvement Law, and was made available when it was needed as a means of helping to facilitate the implementation of the Plan for Consolidation of Areas Designated for the Promotion of Agriculture. Among the land improvement works initiated by the filing of applications by municipal governments, those works which are initiated by special applications are especially important, because these works aim to construct or revise essential facilities for land improvement – involving an implementation area of 6,000 hectares or more in the case of a project to construct an irrigation and draining facility, or 1,500 hectares or more in the case of a project to construct agricultural roads. Moreover, such projects with their large sizes can prove effective when implemented in conjunction with related works for land improvement (such as a project to build a series of terminal canals for irrigation and drainage, one for land readjustment, which will also improve and consolidate terminal canals for irrigation and drainage, and work to create new land spaces). Since it usually takes a lot of time before the concrete contents of these related land improvement works become well defined, it is deemed unsuitable and impractical to plan these large-scale projects by seeking the consent of two-thirds or more of the individuals eligible to them.

Thus, it becomes possible to launch, on the basis of a resolution by a

municipal assembly, a large-scale land improvement work for the construction of an essential facility without waiting until the blueprints for all the other related projects to be in place. This approach to land improvement is radically different from the one adopted by the existing Land Improvement Law with its adherence to the principle that proposals for land improvement works should be made by the farmers concerned. Even so, it must be kept in mind that the law provides that at a time when the related works for land improvement are subsequently launched, and when the consent of the farmers in the area to these new projects is solicited, they should be given the chance to give approval to or disapprove of the works that are already in progress based on the applications filed by the municipal governments concerned.

The practice of launching land improvement work on the basis of a special application filed by municipal government has already been put into effect in the Chikugo River valley in Kyushu. There, considerations about the expected term of construction works and various other factors have induced a number of municipalities along the river (naturally with the consent of the national government and the prefectural government of Fukuoka) to make a head-start with their joint project for land improvement. What will become of the project if the related works to be launched later fail to win the approval of the local farmers concerned remains totally unknown. Most likely, the municipalities involved must have decided to go ahead with their ongoing project in the belief that the forthcoming works will be supported by the farmers. Even if such approval is not forthcoming, the ongoing project which has been launched ahead of the other related works is likely to proceed in its own right. In sum, the pertinent revision of the Land Improvement Law is pivotal in that it has opened, in addition to the existing channel for launching land improvement works primarily at the initiative of farmers, a new channel through which land improvement works can also be launched at the initiative of municipal governments (as well as the national and prefectural governments). The new idea, if pursued further, seems to have the potential for linking the existing approach to land improvement works, which is characterized by its emphasis on the 'beneficiaries pay' principle and by its reliance on subsidies paid from public funds, with a new perception that land improvement works, just like other public works, might as well be carried out at the public expense, on a well-planned basis, and with the clear intent of making a head-start to change the state of things.

Even if long-term plans for land improvement are drawn up, emphasizing the need for land improvement works oriented toward environmental preservation, or the need to improve infrastructure for agriculture in mountainous areas which are at a disadvantage compared with other areas, the present low subsidization rate makes it prohibitively burdensome for local residents to take the initiative in launching a land improvement work. To overcome these difficulties, it would be effective if the

public sector played a leadership role in launching land improvement works, and the decisive manner with which municipal governments, as noted above, make a head-start by filing special applications for such works may be regarded as the first sign of development in this direction. The existing Land Improvement Law places only limited emphasis on the significance of special applications filed by municipal governments for land improvement works. In contrast, I would agree, a future new Land Improvement Law should do full justice to the initiatives to be taken by public offices in launching land improvement works, treating these initiatives as equally important as the initiatives taken by local farmers. In doing so, I am taking into account the existing state of affairs, wherein the insufficient subsidization rate and the unfavourable climate surrounding Japan's agriculture are making it increasingly difficult for many farmers to bear the costs of land improvement, except in a limited number of localities favoured by amicable conditions.

12 A study on the roles of citizen groups in German urban planning

Case study of registered associations for transportation and environmental issues

Morio Uzuki

This study describes some lessons learned from various surveys with citizen groups concerning transportation and environmental issues in Germany. Citizen groups were created in the late 1960s and developed afterwards into officially registered associations. They have achieved significant results in revising and implementing transportation policies. Some community projects have been accomplished through partnership between local government and the registered civic associations. Officially registered civic associations in Germany have played significant roles in putting forward urban planning policies through a process of citizen participation.

Introduction

This chapter investigates citizen groups' participation and influence in the decision-making processes of urban planning projects and policies in Germany, and examines the roles and tasks of these groups. In Germany, citizen participation in legislated urban plans (F-Plan, Land-use Plan, and B-plan, District Plan) is defined in Article 3 of the Building Code. However, various other means of citizen participation are being tested, as observed in unlegislated citizen participation in legislated urban plans, or participation in the decision-making processes of the unlegislated urban plans¹ and urban policies. These are a sign of the development of new forms and methods of civic participation. Therefore, we have included unlegislated as well as legislated urban planning projects in the scope of this study. In general, the term citizen participation refers to participation of an individual citizen. However, in reality the influence of citizen groups in the actual decision-making processes of the local government is extremely important. Considering this, we have studied citizen participation focusing on the 'citizen association'.

There have been studies of changes, framework and case studies of the

urban planning systems and methods in Germany (former West Germany),² as well as studies of citizen groups in Germany specialized in fields other than the urban planning.³ However, there have been no previous studies or surveys of citizen participation in urban planning projects focusing on citizen groups. With the passage of the Bill for Specified Non-Profit Organizations (NPO Bill) in Japan in 1998, active discussion is anticipated in defining the roles of citizen groups and the methods of citizen group assistance in the urban planning sector. Against this background, it is hoped this study will offer beneficial insight in defining the roles of citizen groups and citizen activities and establishing the citizen participation system for the urban planning projects in Japan.

Research procedure

Citizen groups in Germany are largely categorized into two types, namely, 'unregistered voluntary associations' and *eingetragener Verein* or 'registered associations' (generally abbreviated as 'e.V.'). Registered association is a status that is obtained upon registering with the district court. There is an extremely large number of registered associations and their fields of interests are not specified, thus it is difficult to obtain the data on registered associations for urban planning in a particular district and capture the overall situation objectively. In this study we began by conducting a questionnaire survey of citizen groups attending the 11th Citizens' Congress on Transportation and Environmental Issues held from 3 to 5 October 1997, in Freiburg, Germany, to examine the overall status through classifying the associations. Because the conference was focused on transportation and environmental issues, the participants do not represent all citizen groups concerned with urban planning. However, considering the emphasis on environment in recent urban planning in Germany, we deemed that the transportation and environmental sectors would account for the majority of the groups in the urban planning sector. The survey revealed an extensive area of activities by the citizen groups. The groups surveyed included both unregistered and registered associations.

Following a questionnaire survey, we selected from the different types of citizen groups three pioneering registered associations with various activities and relationships with the local government, and conducted interviews and studied literature to make detailed and specific examinations of the roles played by the citizen groups. The first group, Münchner Forum, is a long-standing registered association established in 1968. The group provides citizens with opportunities for discussion of urban planning projects in the city of Munich and the vicinity. The second group, Umkehr Transportation and Environmental Study Group, is a registered association established in Berlin in 1979. The group serves as the core organ for the 1500 or so citizen movements and citizen groups for transportation throughout Germany. The third group, Rieselfeld Citizen's

Group for District Development, is the newest of the three, established in 1994. It is a registered association whose membership was publicly solicited to voice proposals for the construction of Rieselfeld New Town in Freiburg, Germany.

Position of the registered associations

Under the German constitution, the people of Germany are guaranteed freedom of assembly (Article 8) and freedom of association (Article 9). Under these rights, German civil law stipulates an association (*Verein*) as an organization that is 1) an association of people with continuity; 2) independent of the fluctuation in its membership; 3) with common statute; 4) with a specific and unified name. 'Registered association' signifies that the organization is registered with the association registrar (*in das Vereinsregister eingetragener Verein*) of the district court (*Amtsgericht*). On registration, the association must submit the statute (*Satzung*), containing the name of the association, the address of the office, the signatures of the seven founding members, admission and resignation procedures, membership fee and a list of the members of the board of directors. Upon registering the association, the organization will obtain incorporation status and then be entitled to add the abbreviation *e.V.* to the name of the association. In general, the application will be reviewed in a few weeks. When the tax authority deems the activities of the association are in the public interest, the association becomes entitled to beneficial treatment with regard to corporate tax, and donations given to the registered association will be subject to tax exemption.

As described above, the incorporation status of a registered association is relatively easily obtained, and hence the associations registered are diverse in terms of their interests and size, varying from a neighbourhood sports group with a membership of 20 to 30, Kleingarten with 100 to 300 members, to the largest registered association in Germany, the German Automobile Club (ADAC) with its membership of 12,480 thousand. The size of membership is important for the registered association because funding for the association's activities depends mainly on the income from their membership fees, though there is additional income from donations and public subsidies. In other words, the sustenance of the association greatly depends on how much support and assistance the group can win from the citizens.

'Voluntary associations', on the other hand, is a generic term used for citizen groups that have clear objectives and activity programmes but have not enacted the common statute and membership system required for registered associations.

Results of questionnaire survey to the congress participants

11th Citizens' Congress on Transportation and Environmental Issues

The congress *Bürgerinitiative-Verkehrskongreß* (BIVKO) (literally 'Citizens' Initiatives Congress on Transportation') was held with the objective of studying the issues of transportation and the environment, and proposing alternative choices for creative and constructive solutions. It was also an occasion for promoting mutual exchange among the civil movements and citizen activity groups from different regions. The congress was organized by the Berlin registered association Umkher Transportation and Environment Study Group. (Details of the group are discussed below.) The first meeting was held in Berlin in 1978 and attended by approximately 200 citizen groups for transportation active in various parts of Germany. Since then the meeting has been held biannually in different cities in Germany. The author attended the 11th Congress held in October 1997 in Freiburg.

Survey method

During the congress, which was held from Friday, 3 October through Sunday, 5 October 1997, questionnaire forms and a drop box were placed on the congress secretariat's desk in the conference hall lobby where there were information desks for various citizen groups. The number of participants (pre-registered) according to the secretariat was 250. The actual participants were observed to be around 150. We distributed 110 forms and 68 were returned. This is a recovery rate of 61.8 per cent.⁴

Characteristics of citizen groups and the typology

Among the 68 respondents, 15 (22 per cent) were individual participants, while 53 (78 per cent) were representing an organization or participating as a member of an organization. The number of groups represented was 53, when the redundant responses were excluded. Among these groups, 33 were registered associations and 13 were voluntary associations. Other groups, such as political parties, government organizations and foundations accounted for 7 groups (see Figure 12.1).

Next, we categorized 46 associations, registered and voluntary, but excluding others, according to the time of their establishment, field of activities, number of staff members, and the size of income (see Table 12.1). Among the participants, the groups that had been established earliest were the groups categorized as Protest Movement Type. These groups, established in the late 1960s, have been continuously active for 30 years. The objects of their protest are such public construction projects as highways, roads and airport construction. Citizen groups for transportation

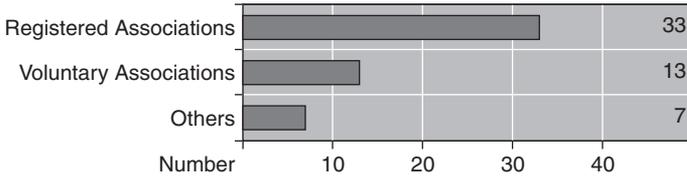


Figure 12.1 Types of associations represented by participants

thus began in a protest movement against the authorities. In the 1980s larger citizen groups of the National Network Type began to emerge. Groups such as the German Federation of Environmental Protection (BUND), the Transportation Club of Germany (VCD), and the Bicycle Club of Germany (ADFC) are some of the groups in this category. These groups have established a pyramid-shaped organization at Federal, State and District levels with total membership of 100,000 to 200,000 with strong political influence. In the 1980s to 1990s, regional civic movements that aimed at not only making protests against the authorities but also at creating initiatives for the citizens and local government through ‘proposal and cooperation’ emerged. Their objective is transportation policy with fewer demands on the environment, through activities such as the promotion of cycle paths and pedestrian promenades, and of the public transportation system. An example of this type of group is a registered association for car sharing that promotes residential areas with no private cars.

Another type of group that is different from these three types of associations is the forum type group, which has its roots in the citizen group of experts that supported the civil protest movement. As the name forum indicates, their objectives are to provide correct information to both the authorities and the citizens for public debate of the issue concerned.

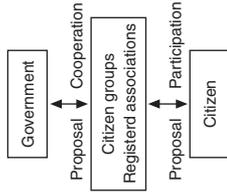
As described above, the citizen groups in Germany are largely categorized into four types by their type of activities. One point to note is that the type is not permanent; as activities change, a protest movement type group may change into a national network type, or a protest movement type group may transform into a forum type group. (This will be discussed in more detail below.)

In the questionnaire distributed about the problems faced by the associations, 76.5 per cent pointed out the lack of active personnel, while only 11.8 per cent stated insufficient number of members and 3.9 per cent lack of expert knowledge. Citizen groups in Germany have secured enough members and they are satisfied with their level of experience and knowledge, however, they lack active personnel. In a similar study in Japan⁵ the greatest concern was ‘securing funding for the activities’, followed by ‘securing sufficient number of members’, ‘personnel to carry out the

Table 12.1 Citizen groups participating in the congress categorized by type and characteristics

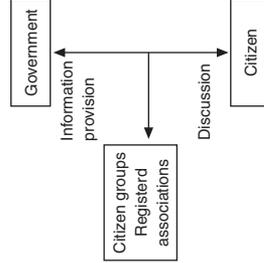
Type	Relationship model	Characteristics
<p>I Protest movement 12 groups</p>	<pre> graph TD CG[Citizen group Registerd associations Voluntary associations] -- Dem --> G[Government] C[Citizen] -- Support --> CG </pre>	<ol style="list-style-type: none"> (1) Citizen groups formed to protest against public construction projects are numerous. (2) Citizen groups formed in protest at the Berlin Highway, Freiburg National Road or Frankfurt Airport Extension. Projects were all established in the late 1960s to 1970s, and they are still active today. (3) Not many groups were formed in the 1980s. But they were formed again in the 1990s largely for protest at large national projects, or for restoration of abolished railway systems. (4) Themes of their activities are highway, national roads and airports. (5) Half of the protest type citizen groups are voluntary groups. Some of the older groups have become registered associations.
<p>II National network 17 groups</p>	<pre> graph TD G[Government] --> N1[National] G --> S1[State] G --> M1[Municipal] N1 <--> CG[Citizen groups] S1 <--> CG M1 <--> CG CG <--> RA[Registered associations National State District Municipal] RA <--> C[Citizen] C --- M[Membership] </pre>	<ol style="list-style-type: none"> (1) Many of this type of citizen groups with a pyramid-shaped organization at national, state and regional levels were formed in the late 1970s to the 1980s. (2) All of the groups in this type are registered associations. (3) Themes of their activities cover an extensive field of interests such as environmental protection, promotion of bicycles, and promotion of railways and other forms of public transport. (4) Relationships with the authorities differ according to the activity of the association. Because of the large number of their members, the roles played by them in lobbying programmes for policy decisions are significant. (5) Because of the nationwide distribution of membership, membership and budget are comparatively large. (6) Among the congress participants some are members of the individual regional group as well as the regional branch of a nationwide group.

III Proposal and cooperation 12 groups



- (1) The groups are involved not just in the protest movement, but they make constructive proposals to local government, and in some cases they work in cooperation with them.
- (2) Their activities are focused on regional issues.
- (3) After their involvement in the protest movements in the 1960s and 1970s, from the late 1970s promotion of bicycles and green issues became their main theme. In the 1980s, public transport and pedestrians emerged as their theme.
- (4) In the 1990s the movements to limit the private use of automobiles became strong and car-sharing groups were formed. Later on, projects to exclude private cars from residential areas for the enhancement of people's health and welfare emerged.
- (5) Among the groups in this category, about two-thirds are registered associations.

IV Forum type 4 groups



- (1) Groups categorized into this type are positioned midway between the local government and the citizens, and they offer survey, research and proposal in their expert capacity.
 - (2) Among the congress participants they are the minority, with only 4 associations of this type found.
 - (3) Their fields of expertise were economy, ecology, citizen participation and urban planning in general, respectively, in relation to the transport.
 - (4) These groups were formed at times of citizen protest as support groups. Later on, some groups became sources of information for debate before decisions were made.
 - (5) In some cases local government assigns tasks to the group.
-

activities' next, and 'expert knowledge' fourth. Japanese citizen groups, compared to their German counterparts, are yet to clear the initial stage tasks (see Figure 12.2).

Assessment of citizen participation programmes

To the question 'Do you have experience of a successful citizen participation programme?' 68.2 per cent of the responses were negative. Responses that assessed their programme as slightly positive or fair accounted for only 31.8 per cent, indicating that the citizen groups are yet to achieve major success. This is an extremely harsh assessment of their activities (see Figure 12.3).

To the question 'Do you find the regulations for citizen participation as stipulated by the law sufficient?' 79 per cent responded that they were not sufficient. Positive assessment was zero. Evaluation of the current citizen participation system by citizen groups is extremely low (see Figure 12.4).

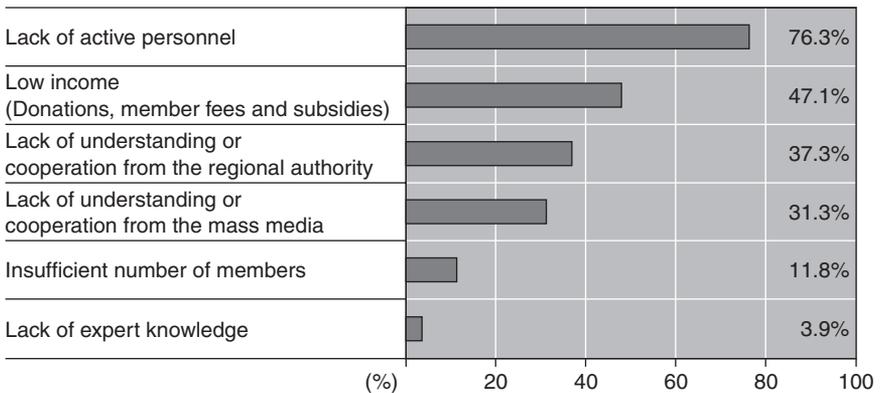


Figure 12.2 Problems faced by the associations

Note: Respondents were to give one or two reasons.

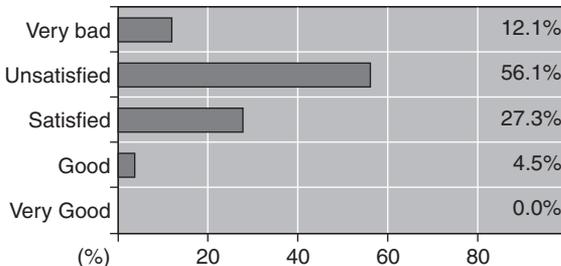


Figure 12.3 Assessment of citizen participation programmes experienced

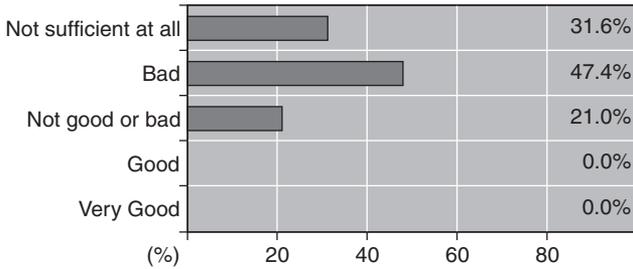


Figure 12.4 Evaluation of citizen participation system

Role of citizen groups

To the question ‘Why are civic movement or citizen groups necessary?’ 60.3 per cent replied ‘because the power of a single citizen is insufficient to achieve objectives’, 44.1 per cent replied ‘to be equipped with the technical expertise that the authorities or the planners seem to lack’, and 30.9 per cent replied that the citizen groups ‘enable the citizens to have political influence’. These responses imply that the citizen groups are capturing the needs of the citizens that the experts overlook and results in political action on issues which an individual citizen cannot handle. Other comments pointed out the ‘need to be in an equal position with the lobbying bodies for industry’, indicating the strong implications of the citizen groups’ activities targeted at policy-makers. Some other roles played by the citizen groups mentioned in the responses were that ‘they help enhance civil awareness and the identification with the community’, which was pointed out by 25 per cent of the respondents, while other comments pointed to the citizen group’s role in providing opportunities for learning and education for citizens, as indicated by the comment that ‘they have expert knowledge that the citizens or the parties concerned may lack’ (see Figure 12.5).

When critical opinions of civic movement or citizen activities were requested (respondents were asked to comment freely), 6 out of 68 respondents made the following comments: ‘some citizen movement groups represent singular cause or interests and they tend to become egocentric’ (2 people); ‘in some cases citizen groups protest against creative projects, as do the automotive lobbyists’ (1 person); or ‘if politicians or the government could make good decisions and the media lived up to their responsibilities, citizen groups might not be necessary’ (2 people). One person also commented that ‘citizens should learn to think and act for themselves’ (1 person).

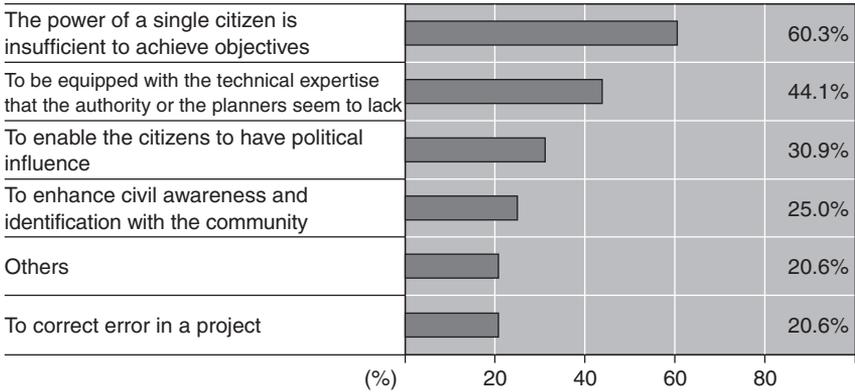


Figure 12.5 Need for citizen groups

Note: Some respondents gave two reasons.

Future of citizen participation

To the question ‘What is necessary to realize citizens’ demands in politics and policy?’ 75.0 per cent replied ‘citizens with awareness and a sense of responsibility’. While 45.6 per cent replied ‘sufficient and accurate information from the authorities’, 35.3 per cent indicated ‘new laws and regulations for citizen participation’. These responses indicate that innovation in both citizens’ attitudes and the authorities as well as a new system are called for. Only 13.2 per cent requested ‘more civil movements and citizen groups’. There were also calls for ‘unified civil action’ (see Figure 12.6).

When the respondents were asked to write freely with any ideas for citizen action, activities suggested included ‘outdoor events’, such as street parties, community festivals, flea markets, street performance, dance, music, bicycle demonstrations and passenger strikes; ‘communication media’, such as district radio or TV, citizens’ radio, leaflet distribution and having a column on citizen movements in the municipal newsletters; and ‘new systems and framework’, such as project workshops, project cells, citizen assessment, counter proposal drafting, public hearings, public referenda.

Specific activities of citizen groups

We will now examine the specific activities of the registered associations typical of the three types according to Table 12.1, excluding the protest movement type groups. As an example of forum type citizen groups, we have selected one of the longest-standing groups, Münchner Forum. The group evolved from a protest movement type group. Next we will look at

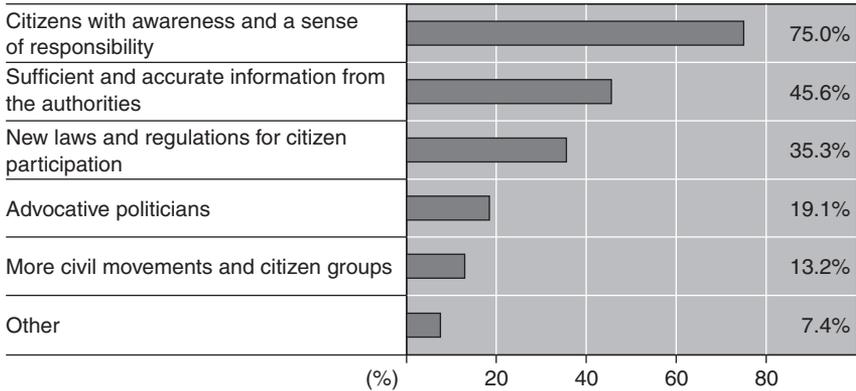


Figure 12.6 Requirement for realizing citizens' demands

Note: Some respondents gave two reasons.

a registered association that evolved into national network type from the protest movement type, Umkher Transportation and Environmental Study Group. Finally we will examine, as an example of the proposal and co-operation type of citizen group, Rieselfeld Citizen's Group for District Development, which works in cooperation with the city authority on the New Town Project in the suburbs of Freiburg.

Münchner Forum (Munich)

In 1965, the city council of Munich decided to build a loop way (commonly called ARNO) in the north-eastern part of the old city. The project proposed construction of a multi-levelled road way which included a plan to build an underground tunnel in the square in front of the historic Prinz Karl's palace. Announcement of this project evoked civil protest and a protest movement organization named the Prinz Karl Palace Initiative was formed. The occasion also initiated the formation of the group Münchner Bauforum which provides information to the media and promotes opportunity for public discussion. Their objective was to make urban planning and city development familiar issues to the citizens. The Forum organized a series of exhibitions and discussions on the theme of 'Construction for Citizen Life', and stimulated public concern for urban projects that involved citizen life in general with a focus on the issue of transportation.

Formation of the Forum was initiated mainly by Munich University professors, but the press, publishing houses, the chamber of commerce and the labour unions extended their support, and in the end the city authority also provided financial support. The 'Munich Discussion Forum on Development Problems' (commonly called Münchner Forum) was officially inaugurated in 1968 (see Table 12.2).

Table 12.2 Membership composition of Münchner Forum

1. University	8
2. Craft unions/Labour unions	6
3. Commercial or industrial groups	2
4. Authority (City office and project unions)	2
5. Media	2
6. Civic groups	2
Total	22

A large number of existing socially influential organizations came to support the Forum because the Forum's objective was not necessarily to protest at the project, but to achieve a society in which citizens actively participate in discussion; the group's role was to provide information as experts in a neutral position. As a result the city abandoned the road plan. The Mayor of the city of Munich at the time, Mr. Vogel, stated that 'there is no city plan without citizen participation'. He later became the Construction Minister for the Federal Republic and succeeded in adding a clause on 'early citizen participation' in the Federal Building Code in 1976. The case shows that the citizen activities of the Münchner Forum had a major influence on the establishment of the citizen participation system in Germany.

To this day, the Forum continues to provide information and propose debate to the citizens of the city of Munich and the vicinity, on issues concerning transportation such as pedestrian zones, bicycle use and tramways, as well as more extended topics covering housing, shopping districts, green issues, culture, economy and immigrants. The Forum contends that urban planning should be discussed and decided by the five sectors of the public: politicians, entrepreneurs and investors, city planning bureau, media and the citizen or civic groups (see Figure 12.7).

Star-shaped Cooperation Model

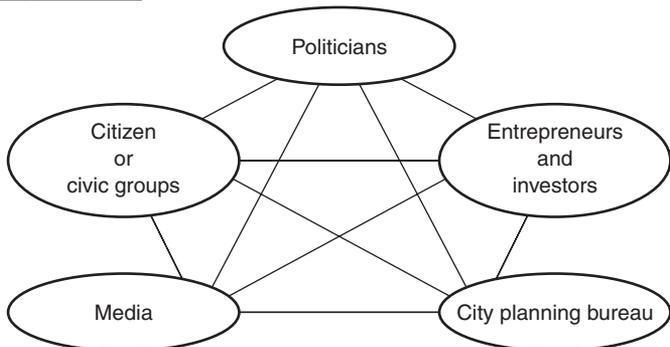


Figure 12.7 Five sectors necessary for discussion of urban planning

The characteristics of the group can be summarized as follows:

- 1 The Forum, as an expert in a neutral position, aims to provide various alternatives and opportunities for public debate, and the group enjoys the social reputation as an institute of good sense, independent of both the authorities and the general public.
- 2 The fact that the Forum includes members of the architects' association, the urban planners' association, nature conservation group, local university professors, labour unions, craft unions, the citizens of the city of Munich as well as the local press, which plays an important role in providing information to the public, is unmatched by any other registered association in Germany.

Umkehr Transportation and Environmental Study Group (Berlin)

Citizens against the construction of an 8-kilometre urban highway loop crossing West Berlin established a voluntary civic group in 1974. As the group continued their activities, they have felt the need to meet and exchange information and communicate with civic groups in other regions, and they invited civic groups concerning transportation issues throughout Germany to organize the first Congress of Transportation and Environment in 1978. At the time, in the 1970s, there were similar protest groups against highway construction in major cities such as Munich, Hamburg, Hannover and Cologne, and 200 people including representatives from the other cities gathered in Berlin. At the time, transportation had not yet become a topic of concern to society in general, but the congress raised awareness about the transportation problems as a social issue of national concern. Today, transportation is at the centre of environmental and ecological policies. The following year in 1979 the Umkehr was established as a registered association to continue the congress and to promote communication with civic groups throughout Germany. In Germany there are 3,000 to 4,000 civic groups targeting transportation policy, constituting the largest group of civic movements in the country. A member of staff for the group stated that 'without this much civic movement, Germany would have been an automobile kingdom. Thanks to the civic movement, we have managed to avoid road construction projects that would have destroyed the environment.'

Article 2 of the articles of association states that the purpose of the association is 'to promote a transportation system benevolent to the people and the environment, and to promote the rights of pedestrians, bicycle users, and users of the public transportation system'. In the 1970s and 1980s, the civic movement to promote use of bicycles instead of automobiles advanced significantly, but it also tended to threaten the rights of pedestrians. The group thus started a campaign for a pedestrian initiative and promoted a development plan to limit transportation in residential districts. The group proposed 'Tempo 30' roads with a speed limit of

30 km/h. These roads were not inspired by the planners or the politicians, but it was an idea developed by parents with small children. Their campaign played a role in 'Tempo 30' being adopted as national policy in 1981, and in 1983 the city of Hamburg implemented the programme for the first time in Germany, in 600 locations. The 50 per cent discount system for train tickets, DB's Bahncard (German railway card), that started in 1988 was achieved by the petition of 100,000 citizens collected by the German Transportation Club (the registered association participating in the study group) modelled after a similar case in Switzerland. As can be seen from these examples, the themes of the Study Group extend over a diversified field and they have achieved major success (see Table 12.3).

Table 12.3 Themes of the 11th Citizens' Congress on Transportation and Environmental Issues (3 and 4 October 1997)

<i>Category</i>	<i>Session topics</i>
A. Railways	1. Build tracks for environmental stations 2. Railways could be much quieter 3. Protest against abolishing railroads
B. Air transport	4. Distribution should depend on land transport 5. How to protest against renovation and new construction of airports 6. Can district leisure replace long-distance tourism? 7. Limitless subsidies for the air transport system 8. Action against air transport
C. Pedestrian/bicycles	9. Network of pedestrian roadways 10. Issues of crossing 11. Process of setting a new law concerning bicycles 12. Allocating places for pedestrians, bicycles and roller-bladers
D. Short-distance public transport	13. Urban and district bus systems 14. Proposal for flexible transportation system to meet needs
E. Economics	15. Effect of related industry on the economy 16. Much road construction reduces employment opportunities
F. Alternatives	17. Is Movement Management just another new catchphrase? 18. Exchange of experiences in the 'Zero Private Car Residence' Project
G. Road construction	19. Legal update – Protest against the 1998 German Road Transport Congress 20. How to make the national road expansion plan into a perfect national transportation policy
H. Civic movement	21. Will citizen movements on-line bring more opportunities for employment? 22. Non-capitalistic transportation policy 23. Democracy of Trans Europe Net and EU
I. Environmental effect	24. Can we protect land, the foundation of life, from transport?

The main activity of the group is the organization, once every 2 years, of the transportation congress which aims to bring together the civic groups focused on transportation throughout Germany. In addition, the group publishes a 100-page A5-sized house organ three to four times a year, conducts various surveys, and produces research and proposal papers, campaign posters and stickers.

The association's features can be summarized as follows:

- 1 Despite the fact that this is a national network of civic groups, their organization does not have a solid pyramid structure of regional, state and national hierarchy. It is basically a horizontal network of regional groups and the Umkher serves as the secretarial group for the network.
- 2 Their ultimate stance is with the citizen and, depending on the case, they may take radical action against the authorities. They also anticipate transportation policy and make active proposals.

Rieselfeld Citizens' Group for District Development (Freiburg)

Freiburg, like Munich and Berlin, has a large population of students and the city is known for its pioneering citizen activities. It is a city with a population of only 170,000 but is well known in Japan as an environmentally friendly city. In an area 5 kilometres west of Freiburg city centre, in the district of Rieselfeld, a new town with a population of 12,000 has been under construction since 1994. Initially, a design competition for the urban plan and landscape was held to establish the plan, and the land utilization plan was decided upon after a series of exhibitions and public hearings involving the citizens. The citizens participating in the process expressed their wish to continue to make various proposals for the detailed planning stage that followed and, in response to this initiative, the city adopted an unprecedented procedure of 'expanded citizen participation' and decided to support the motivated citizens to compile proposals. As a result the citizens organized eight study groups on 1) alternative housing models, 2) energy, 3) planning for women, 4) social and cultural infrastructural facilities, 5) building ecology, 6) ecological landscape design, 7) transport and 8) housing. They compiled proposals, with the city officials also participating in the process. Based on these proposals, the citizen group continued their discussion with the parties represented at the city council with the authority, and successfully drafted a master plan. In Germany, citizen participation emphasizes the aspects of providing opportunities for the exchange of opinions, and questions and answers between citizens and the authorities, but in this case the citizens' new approach stepped beyond the usual framework (see Figure 12.8).

Contents of the transportation plans and policies covered extensive subjects, including the use of bicycles and trams as the main means of

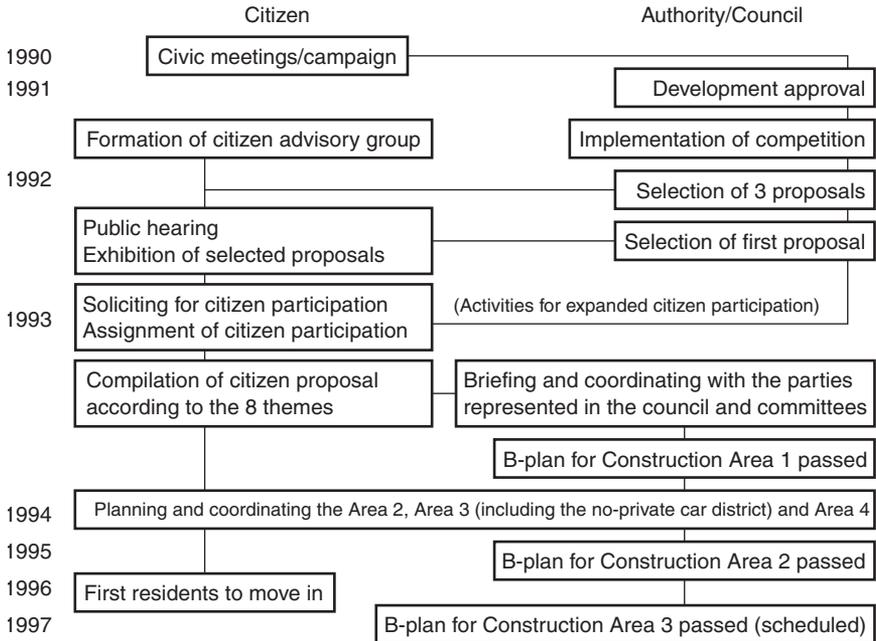


Figure 12.8 Flow of project planning at Rieselfeld

transport, limiting vehicle speed to 30km/h, as well as suggestions on public signs and street lights. The no-private car residential area was one of the other features proposed in the plan. The plan was based on the idea that if the people who individually did not own a car could live in the same area, the parking space and driveway could be removed from the space, hence the lot price or rent could be reduced. Needless to say, if cars cannot enter the area, the risk of traffic accidents involving children is diminished, and residents will have more opportunities for communicating with the others in a quiet environment without traffic noise or exhaust fumes. To achieve this, the citizens suggested that every house be built within 200 metres of a tram stop, and a non-profit corporation for car sharing should be established for occasions when car use is a necessity.

The data compiled in another district indicated that one car for every twenty to twenty-five residents is sufficient. The proposal for a no-private car residential area, however, was initially totally rejected by the city, which contended that the state law stipulates that each house should have a parking space for one car, and was sceptical about limiting these rights by some form of contract, since possession of a car is a matter of choice for the individual. Concern was also expressed about times when a car might become a necessity for the resident, for example, at times of illness

and so on. In the end, however, the proposal was adopted and approximately 120 houses were built on the 1.4 hectares of land in construction area 3 as an experiment.

The eight groups presented the proposal to the city office and the council and their task was completed. But some of the citizens who participated in the programme voluntarily organized themselves in 1994 and became a registered association to cooperate in the implementation of the plan. Groups for transportation and public facilities played a central role in the organization. Today the association receives an annual subsidy of approximately DM 60,000 from the city and makes proposals and publishes brochures for the citizens. It could be said that they have built a very good partnership with the city.⁶

Features of the association can be summarized as follows:

- 1 This is a unique case in Germany in which the citizens publicly solicited by the city office made proposals and established a registered association to see through the implementation of the plan. In this type of cooperative project, a strong relationship based on confidence between the authority and the citizens must be developed through the experience of exchanging information and discussion from the earliest phase of the project.
- 2 The group anticipates the necessity of additional registered associations for a residents' cooperative or car-sharing as the construction continues to advance and the number of residents increases, and they are prepared to provide support for future organizations. This is a trial of a new form of citizen autonomy in which the citizens are involved from the planning to the management of a new town.

Table 12.4 compares the features of the three citizen groups.

Summary and conclusions

Though the subjects of the survey were limited to the citizen groups concerned with transportation and environment, the extensive and integral scope of their themes, diversity, specialization and pioneering nature of their activities, and the communication between mutual citizen groups, indicate that citizen groups and civic activities in Germany have accomplished significant developments and played an extremely large role in urban planning and urban policies over the last 30 years. The following points are testimony to their development.

- 1 The activities that originated in the protest movement or the ideas conceived by the citizens led to the inclusion of a clause on citizen participation in the federal building code, realized in Tempo 30 roads, for example. The roles played by the citizen groups in changing national

Table 12.4 Comparison of three types of registered association

	<i>Münchener Forum</i>	<i>Umkehr Transportation and Environmental Study Group</i>	<i>Rieselfeld Citizens' Group for District Development</i>
(1) Place and time of establishment	1968 Munich	1979 Berlin	1994 Freiburg
(2) Occasion that initiated the establishment	Protest movement against loopway construction	Protest movement against loopway construction	Proposal making for new town development
(3) Type of activities	Forum type	National network type	Proposal and cooperation type
(4) Inauguration members	University professors, various craft unions, city authority, media	Students, citizen movement leaders	Citizens publicly solicited for participation
(5) Objective for establishment	Support for urban planning development through academic and scientific knowledge and expertise. Preparation of opportunities for discussion and provision of information	Promotion of transportation system beneficial for the people and the environment. Expanding the rights of pedestrians, bicycle users, public transportation users	Participation in various planning activities and support for formation of various citizen groups
(6) Area of activity	Munich and the vicinity	Entire Germany	Rieselfeld
(7) Number of members	22 (individuals and groups)	1,500 (groups and individuals)	30 (individuals)
(8) Number of staff	4 full-time employees, 4 part-time employees, many volunteers	2 full-time employees, 4-6 part-time employees, approx. 10 volunteers	No paid employees
(9) Annual budget	DM 327,000/year (The city subsidizes with DM 40,000)	DM 70,000-100,000/year (No subsidies from the city)	DM 60,000/year (Entire budget funded by the city)
(10) Main activities	Provision of advice and recommendation to citizens, citizen groups and district councils. Publication of various research and survey reports. Various services provided through their own library	Support and provide advice to citizen groups and projects for transportation and environment. Formation of network of the groups through conferences, seminars and campaigns. Publication of survey reports	Research and proposal on Rieselfeld. Coordinating with the city, political parties and related organizations. Public relations (focusing on transportation and community development, for the meantime)

policy and the subsequent results are immense. However, many citizen groups are still highly unsatisfied with the existing laws and institutions. This is perhaps because the citizen groups are always in a position to make proposals in anticipation of the future shape of society.

- 2 Instead of quantitative growth of the new civic movement or citizen groups, qualitative improvement in the existing groups is sought, as seen in the demand for 'active staff members'. Ultimately the groups expressed the need for citizens with awareness and a sense of responsibility, indicating that the tasks of the citizen groups are in continuously providing new information and opportunities for learning to the citizens in society, and thus the groups demand dynamic personnel.
- 3 There are more than a few cases where the civic movement that was formed in protest at public works evolved from a voluntary organization into a registered association for continuous and constructive development of the movement, increasing in the developmental process and support from the wider social scope of citizens and their groups. This can be seen as a model of development for citizen groups.
- 4 The inclusion in the Building Code of 1976 of the obligation of 'early citizen participation' marked the beginning of the partnership type of projects between authorities and citizen groups, as seen in Rieselfeld New Town. Instead of the civic groups arising from the protest movement, a new type of registered association formed in response to a call from the authorities and developed through cooperation into the proposal and cooperation type groups.
- 5 Among the registered associations there exist registered associations with more public interests. Some citizen groups, such as the Münchner Forum are financially subsidized by the city office, and organizations such as the German Federation for the Environment and Nature Conservation are certified by the city offices as pre-consultation bodies⁷ for drafting of legislated urban plans. This shows that as the citizen groups evolve, they can become registered associations of high public interest.
- 6 To a citizen in general, a citizen group is only a step in the citizen participation programme. Citizens are aware that there are limitations to the power of each individual when the project becomes complex or large, or requires specialized knowledge; for that very reason, they believe citizen groups to be necessary. Therefore they clearly separate citizen participation into two types: 'citizen participation as an individual' and 'citizen participation as a group' (see Figure 12.9).

Implications for Japan

Citizen groups in Germany have executed a variety of activities over the past 30 years, and they have achieved results in various decision-making occasions for urban plans and urban policies. Needless to say, the

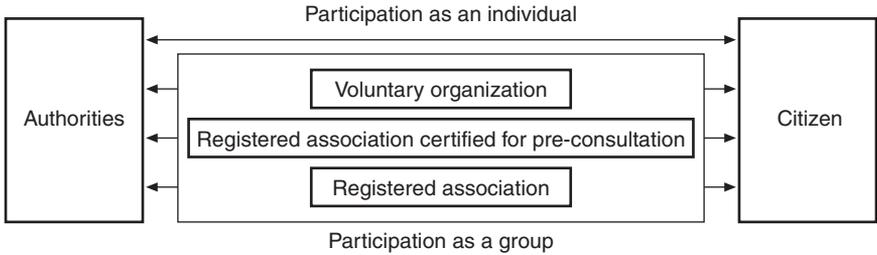


Figure 12.9 Citizen participation as an individual and through a group

achievement is based on the assertive thinking and action of each individual citizen, but the citizen groups played an extremely important role in providing the individual citizen with the information and opportunities for learning and expressing opinions, and acting as a connecting dynamic link between the authorities and the citizens. In urban planning in Japan, it is necessary to recognize the roles of citizen groups, and clearly define the position of citizen groups and citizen activities not only from the authorities' point of view, but in society at large, and to foster and support such groups actively. To foster this the author plans to study the specific activities and the management of the citizen groups and the framework and mechanisms of administrators in the wider perspective of community development, including housing and welfare programmes, to further clarify the partnership between the citizens and local government.

Notes

The author wishes to express his gratitude to Prof. Dr. Alexander Schmidt of Essen University for his help in preparing the questionnaire.

- 1 Unlegislated urban plans refer to the plans that are not obligated by the Building Code but the municipality may on its own independently prepare. For example, some major cities define District Development Plan as an interim plan between F-Plan and B-Plan. Because it is not legislated it varies in scope, contents expressed, and scale for each municipality, and the plans are called by different names (Bereichentwicklungsplan, Bereichplan, Rahmenplan, Strukturplan, etc.).
- 2 Kenjiro Omura, Study of Planning System for Securing Urban Housing in Germany, Japan Association of Urban Planning, Technical Papers of Urban Planning No. 30, pp. 403–408, 1995.
- 3 Kohichiro Agata, Citizen Sector Activities in Germany – Focusing on the Field on Social Welfare, *Gyosei Kanri Kenkyu Senta*, Research Survey on Partnership between Citizen Sector and the Administrative Bodies, 1997.
- 4 Because the congress was aimed at exchange and education for active citizen organizations, the participants had shown relatively strong interest in the questionnaire, and the response rate was high. Among the 68 respondents, one was an English person staying in Germany for a training programme, but all the

other 67 respondents were Germans living in Germany. The association of the English person was categorized as the Others in Figure 1.

- 5 Survey conducted by Fundamental Research Institute of Housing Credit (October 1993, of 386 citizen groups throughout Japan).
- 6 From the letter of response (13 June, 1998) from Mr. Willi Loose, President of the Study Group on Transportation.
- 7 'Pre-consultation bodies' is *öffentliche Belange* in German. Participation of 'Public Interests Group' in the legislated plans is defined in Article 4 of Building Code. However, according to the German Ministry of Construction, decisions on which group to be deemed as public interest bodies differ for each state and municipality. For Munich in the state of Bayern, there were 37 groups in 1994, and other than the local governments, industry group and public corporations, noteworthy groups included the church and the German Federation of Environment and Nature Conservation. The German Federation of Environment and Nature Conservation is the group most recently certified. It is extremely interesting to note from the perspective of development phase of citizen groups, that a citizen group which had been strongly contending the government development plans and expanding the membership, had been certified by the municipal body as the public group

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13 Closing remarks

Kazuhiko Yamaki

I think it is fair to say that one of the characteristics of modern sciences such as economics and political science is that from their inception they have attempted to solve various social problems and conflicts by taking as the main object of their study the explicit elements in societies. Where they have attempted to grasp implicit elements it has only been for the sake of converting them into explicit elements. It cannot be denied that one of main reasons for the success of modern natural science is the mathematical method by which it grasps implicit elements in the natural world and then converts them into explicit elements.

Could we not say, however, that modern social sciences, in their haste to achieve the same kind of success as the natural sciences, have overlooked the importance of implicit elements in societies? It may be a result of this tendency that many social scientists insist that happiness cannot be the subject of scientific survey, a fact that Professor Tamura mentioned in Chapter 7. In advanced societies at least, people do not feel content with their own lives and seem unable to find happiness and fulfilment, even though in these societies abundant material production has already been realized.

Perhaps, as social scientists working in the field of modern social science, many of you here today may already be aware of this lack or shortage. If it is true that modern social sciences have lost the confidence of the people, it seems to me, if I may use an extreme expression, that the implicit elements you have ignored are now taking their revenge upon social scientists like yourselves. This can be seen in the fact that, in Japan and Germany, universities are losing their status as seats of learning, though according to Mr. Platten in Chapter 9, it may be a little different at Cambridge and Oxford in the United Kingdom.

If this evaluation is correct, an issue to resolve may be how social sciences can and should grasp and treat these implicit elements in societies. Those of you participating in this symposium are mainly engaged in studies of education, public health, waste disposal, trauma and other subjects that do not lend themselves easily to the explicit approach, as Professor Mollica's chapter shows. According to my own experiences since my

youth, however, it seems that many social scientists think that treating implicit elements in their surveys does not contribute to academic advancement and achievement. But, readers, in this respect you are, I think, exceptional among social scientists. I hope that you can become pioneers in this field, in the sense that you are endeavouring to see objects that are not easy to see, and to treat them as subjects of your own studies. As Professor Mollica said, however, this attempt is no easy task.

What kind of implicit elements then may be said to exist? One example I would like to suggest is the market. In connection with the problems Professor Kikuchi presented, the market has, of necessity, existed in every society since the origin of mankind. In this sense, we can easily think as follows: namely the 'market' is an entity that is easily visible, and therefore it is an explicit object common to mankind. When we consider it carefully, however, the following becomes clear: there exist implicit elements inside every market by which explicit parts of that market can function.

I think one of the most important implicit elements in this case is how 'trust', as discussed by Professor Mollica, is maintained within a market, because without trust it is surely impossible for us to exchange goods and materials within a market.

When nurturing and maintenance of this trust are realized, the concept of 'symbiosis' which has already been discussed here can be easily realized. Professor Ito introduced a successful example in Denmark. Mr. Platten described how individual colleges at Cambridge University compete with each other in creating a unique identity for each college in order to succeed in academic activities. Professor Tamura talked of a successful example related to public health in the Oita area. Looking at all these cases, we can say that a project involving a small number of human beings may easily succeed. If this is so, why is it that success can easily be achieved when dealing with small units? I think nurturing and maintenance of trust plays an important role.

If we try to express this according to traditional philosophical concepts, it may be said to be the 'charity' of Christianity or the 'jin/jen' of Confucianism. But it may not be appropriate for social science to take over such terms indiscriminately. Rather, it is necessary to integrate these concepts into the framework of social sciences. For example, I try to think about the distinction between 'public' and 'private', which is considered as an inevitable premise within social sciences. For scholars like yourselves, who have discussed 'symbiosis' in this symposium, it will be clear that the distinction between 'public' and 'private' is no absolute dichotomy with no common room for both, but rather that there exists a common place for both. If I think about this matter from the point of view of 'charity' or 'jen', it appears to me that there is common room for both or a definite place which can be divided into neither 'public' nor 'private'. Rather, this distinction was temporarily introduced as an operative concept in the field of social sciences.

If I am correct, the societies of modern so-called ‘advanced countries’ share a characteristic dichotomy of the ‘distinction between “public” and “private”’. If we try to move towards a more natural way in which human beings can live, something new may appear to us. Therefore, from the point of view of ‘implicit and explicit’ let us, for example, consider: ‘Is a regulation necessary or not?’ The moment we do so, the following becomes obvious: the original purpose of a regulation is not to work as an explicit object, but to activate some implicit norm to solve a problem. To put this in a more concrete way, a regulation should not operate to forbid one to do something, but to guide one toward doing something positive. It is for this purpose that regulations exist. So the purpose of a regulation is none other than to create a condition under which a person as a subject can more readily do something positive. A concrete example of this point is the idea of ‘Positive Health’ that Professor Tamura advocates. This idea does not mean that the persons concerned take care of a person who is already ill, but that they guide a healthy person towards taking care of him- or herself lest he or she should become ill.

This book with its keyword of ‘symbiosis’ summarizes a conference held here in Bonn. This is of very great significance, because in spite of being the capital of Germany, Bonn is such a small city that it has often been called not ‘Hauptstadt’ (main city) but ‘Hauptdorf’ (main village) in a somewhat contemptuous manner. The German capital has been moved to Berlin, and Bonn is now being newly established as an academic city. Today, here in this new academic city, a new concept called ‘symbiosis’ is being launched. As Professor Agata and Professor Tokida discussed, this research project will from now expand into a framework called the APRU in East Asia. Consequently from now on, the following symposiums will be held in Tokyo and in other East Asian cities.

Last, a few words about Professor Tamura, the leader of this research project. In July this year he visited our Waseda University European Center in order to prepare for the symposium. At the beginning of September, at a time when he was extremely busy with preparations, he was struck by illness. Thanks to his determination and tenacity, he was able to recover sufficiently to attend the symposium and give a paper. As you know, Professor Tamura has taken the Oita area as the main field of his research. I sincerely hope that he will continue to deepen and develop his research, basing it on his own hard-won personal experience. I am sure that all the participants in this symposium will join me, Professor Tamura, in praying for your earliest complete recovery.

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