

**The Second Policy Forum on
Leadership and Management
Development in Asian Countries
— Report —**

Date: March 26-27, 2015

**Japan International Cooperation Agency
Hitotsubashi University, Graduate School of
International Corporate Strategy
National Graduate Institute for Policy Studies**

Unauthorized copying and replication of the contents of this report, text and images are strictly prohibited.

All rights reserved.

<Contact>

National Graduate Institute for Policy Studies (GRIPS)

Address: 7-22-1 Roppongi, Minato-ku, Tokyo 106-8677, Japan

URL: <http://www.grips.ac.jp>

Tel: +81-3-6439-6037 / Fax: +81-3-6439-6030

E-mail: asianleadership@grips.ac.jp

Contents

Program of the Second Policy Forum on Leadership and Management Development in Asian Countries	i
List of Participants	v
Summary of the Second Policy Forum	
Closed Policy Dialogue	1
Open Policy Forum	7
International Forum on Asian Models of Governance; Innovating Policies; A New Paradigm to Activate the Governments' Potential	
Opening Address	
Mr. Hiroshi KATO, Vice President, JICA	12
Prof. Kiyotaka YOKOMICHI, Vice President, GRIPS	14
Keynote Presentation 1 by Prof. Dr. Ikujiro NONAKA, Professor Emeritus, Hitotsubashi University: “Unleash the Knowledge Potential of Nation, Region, and Community: Co-creating Values for the Society”	16
Keynote Presentation 2 by Dr. Alex B. BRILLANTES JR., Commissioner, Commission of Higher Education: “Leadership and Management Development in Asian Countries: Exemplary Cases in Indonesia, Thailand, Philippines and Vietnam “THE PUBLIC SERVANT, <i>SERVANT LEADER</i> ”	2
	4
Panel Discussion 1 “Reform for Efficiency or Innovation?”	36
● Prof. Eko Prasajo, Head of Research Cluster for Democracy, Decentralization and Governance, Faculty of Social and Political Science, University of Indonesia, Indonesia	37
● Dr. Cayetano W. Paderanga, Chairman, Development Academy of the Philippines, the Philippines	40
● Ms. Atsuko Kikuchi, President, Japan Association for Public Human Resources Development, Japan	44
Panel Discussion 2 “A New Paradigm from Asia”	67
● Prof. Woothisarn Tanchai, Secretary General, King Prajadhipok’s Institute, Thailand	68
● Prof. Takeji Takei, Local Autonomy College, Ministry of Internal Affairs and Communications, Japan	71
● Mr. Naoki Ogiwara, Director, Research and Planning Department., Asian Productivity Organization	74
Wrap Up by Prof. Kiyotaka YOKOMICHI, GRIPS	94

Program of the Second Policy Forum on Leadership and Management Development in Asian Countries

■ DAY 1: March. 26, 2015

Time	Program
■ Closed Policy Dialogue Venue: GRIPS Conference Room	
09:00-09:20	■ Welcome Address <ul style="list-style-type: none"> ◆ Mr. Hidetoshi Irigaki, Director General, Southeast Asia and Pacific Department, JICA ◆ Prof. Kiyotaka Yokomichi, Vice President, GRIPS ■ Introduction by Prof. Matsunaga, GRIPS
■ Country Presentation by Representatives of Five countries	
09:20-12:20	<p>➤ The representative of each country-team delivers a 20-minutes presentation on their overall research findings, which is followed by a session of 20-minutes discussion on salient features of leadership and organizational management that affect the effectiveness of policy innovation.</p> <p>(1) Indonesia: Prof. Eko Prasajo, Head of Research Cluster for Democracy, Decentralization and Governance, Faculty of Social and Political Science, University of Indonesia</p> <p>(2) Philippines: Dr. Alex B. Brillantes JR, Commissioner, Commission of Higher Education</p> <p>(3) Thailand: Prof. Woothisarn Tanchai, Secretary General, King Prajadhipok's Institute</p> <p>(4) Vietnam: Bui Phuong Dinh, Director, Institute of Leadership and Policy Studies, Ho Chi Minh National Academy of Politics</p> <p>(5) Japan: Mr. Kuninori Matsuda, Deputy Director General, National Institute of Public Administration</p>
12:20-13:20	Lunch Break
■ Country Presentation Part (continuing)	
13:20-14:00	(Continuing from AM Session)
■ Summative Discussion Session 1	
“The Essence of Organizational Capacity and its Development”	
14:00-15:30	<p>➤ Based on the findings shared in the country presentations, participants examine key hypotheses and practical solutions about the issue of organizational development. The discussion is facilitated by two 10-minutes presentations that raise critical common issues to be clarified and another 10 minutes response by a discussant.</p> <p>(1) Moderator: Dr. Ngo Huy Duc, Director, Institute of Political Science, Ho Chi Minh National Academy of Politics, Vietnam</p>

	<p>(2) Speaker 1: Ms. Magdalena L. Mendoza, Senior Vice President, Development Academy of the Philippines</p> <p>(3) Speaker 2: Prof. Sadu Wasistiono, Professor, Institute of National Governance, Indonesia</p> <p>(4) Discussant: Prof. Orathai Kokpol, Director, Deputy Secretary General,, King Prajadhipok's Institute, Thailand</p>
■ Summative Discussion Session 2 “The Essence of Leadership and its Development”	
15:45-17:15	<p>➤ Based on the findings shared in the country presentations, participants examine key hypotheses and practical solutions about the issue of leadership development. The discussion is facilitated by two 10 minutes presentations that raise critical common issues to be clarified and another 10 minutes response by a discussant.</p> <p>(1) Moderator: Prof. Eduard Gonzalez, Dean, Asian Center, University of the Philippines</p> <p>(2) Speaker 1: Dr. Anwar Sanusi, Director, Center of Institutional Studies, National Institute of Public Administration, Indonesia</p> <p>(3) Speaker 2: Prof. Supasawad Chardchawarn, Dean, Faculty of Political Science, Thammasat University, Thailand</p> <p>(4) Discussant: Dr. Agus Pramusinto Director, Master in Public Policy and Administration, University of Gadjah Mada, Indonesia</p>
17:15-18:00	Group photo session
18:00-20:00	■ Reception at GRIPS Cafeteria co-hosted by JICA and GRIPS

DAY 2: March. 27, 2015

■ Summative Discussion Session 3 “Next Collaborative Actions”	
10:00-12:00	<p>➤ Participants exchange practical ideas to strengthen mutual collaboration in areas in which the convergence of interests is observed to exist.</p> <p>Moderator: Prof. Kiyotaka Yokomichi, Vice President, National Graduate Institute for Policy Studies (GRIPS), Japan</p>
12:00-13:00	Lunch Break

Program of the Second Policy Forum on Leadership and Management Development in Asian Countries

DAY 2: March. 27, 2015

■ Open Policy Forum “ Innovating Policies; A New Paradigm to Activate the Governments’ Potential ” Venue: GRIPS Sokairou Hall	
13:00-13:20	■ Welcome Address <ul style="list-style-type: none"> ◆ Hiroshi Kato, Vice President, JICA ◆ Prof. Kiyotaka Yokomichi, Vice President, GRIPS
■ Keynote Presentation 1 by Prof. Dr. Ikujiro Nonaka, Professor Emeritus, Hitotsubashi University Title: Unleash the Knowledge Potential of Nation, Region, and Community: Co-creating Values for the Society”	
13:20-14:00	➤ Prof. Ikujiro Nonaka presents his idea on policy innovation from a comparative perspective on management paradigms in the West and Japan, focusing on the significance of tacit knowledge.
■ Keynote Presentation 2 by Dr. Alex B. Brillantes JR, Commissioner, Commission of Higher Education Title: Leadership and Management Development in Asian Countries: Exemplary Cases in Indonesia, Thailand, Philippines and Vietnam “THE PUBLIC SERVANT, SERVANT LEADER”	
14:00-14:30	➤ Dr. Brillantes presents an overview of the research project; key findings on factors that affect the capacity of a country to solve policy issues and observed convergences and divergences, focusing on the significance of contextual factors as well as the localization of reform measures.
14:30-14:40	Break
■ Panel Discussion 1 “ Reform for Efficiency or Innovation ? ”	
14:40-16:00	➤ Panelists assess the achievements and the limitations of administrative reform initiatives that have been tried in Asia under the influence of practices developed in Anglosphere, focusing on innovative capacity of governments to solve policy issues. (1) Panelist 1: Prof. Eko Prasajo, Head of Research Cluster for Democracy, Decentralization and Governance, Faculty of Social and Political Science, University of Indonesia (2) Panelist 2: Dr. Cayetano W. Paderanga, Chairman, DAP, the Philippines (3) Panelist 3: Ms. Atsuko Kikuchi, President, Japan Association for Public Human Resources Development (4) Moderator: Prof. Hirofumi Takada, Deputy Director of Young Leaders Program (School of Local Governance), GRIPS

■ Panel Discussion 2 “A New Paradigm from Asia”	
16:10-17:20	<p>➤ Panelists examine contextual factors that affect the effectiveness of reform programs in Asia, and discuss alternative paradigms to approach the capacity of governments to solve policy issues in Asian contexts.</p> <p>(1) Panelist 1: Prof. Woothisarn Tanchai, Secretary General, King Prajadhipok’s Institute</p> <p>(2) Panelist 2: Prof. Takeji Takei, Local Autonomy College, Ministry of Internal Affairs and Communications, Japan</p> <p>(3) Panelist 3: Mr. Naoki Ogiwara, Director, Research & Planning Dept., Asian Productivity Organization</p> <p>(4) Moderator: Mr. Ichiro Tambo, Director, JICA Research Institute</p>
17:20-17:30	Wrap Up by Prof. Kiyotaka Yokomichi, GRIPS

List of Participants

The Policy Forum for Leadership and Management Development in Asian Countries 26-27 March 2015, Tokyo

PARTICIPANTS FROM OVERSEAS

**Alphabetical order of country*

【Indonesia】

Prof. Eko Prasajo

Head of Research Cluster, Democracy, Decentralization and Governance
Faculty of Social and Political Sciences, University of Indonesia

Prof. Sadu Wasistiono

Professor, Institute of National Governance (IPDN)

Dr. Anwar Sanusi

Director, Center for Institutional Performance Studies, National Institute of Public Administration (NIPA)

Prof. Agus Pramusinto

Director, Master in Public Policy and Administration, University of Gadjah Mada

【Philippines】

Dr. Cayetano W. Paderanga JR.

Chairman, Development Academy of the Philippines (DAP)

Dr. Alex B. Brillantes JR.

Commissioner, Office of the President, Commissioner on Higher Education

Prof. Eduardo T. Gonzalez

Senior Fellow, Development Academy of the Philippines (DAP)

Ms. Magdalena L. Mendoza

Senior Vice-President for Programs (Lead researcher),
Development Academy of the Philippines (DAP)

Ms. Lizan Perante Calina

Executive Director, Philippine Society for Public Administration, House of Representatives

Ms. Maria Christina R. Valte

Program Manager, ARMM/ BANGSAMORO Program Office,
Center for Governance, Development Academy of the Philippines (DAP)

【Thailand】

Prof. Woothisarn Tanchai

Secretary General, King Prajadhipok's Institute (KPI)

Prof. Supasawad Chardchawarn

Dean, Faculty of Political Science, Thammasat University

Prof. Orathai Kokpol

Deputy Secretary General, College of Local Government Development,
King Prajadhipok's Institute (KPI)

Ms. Pimpan Diskul na Ayudhya

Director, Mae Fah Luang Foundation under Royal Patronage

Ms. Kittima Bunnag

Individual Human Resources Specialist, College of Local Government Development, King Prajadhipok's Institute

【Vietnam】

Dr. Ngo Huy Duc

Director, Institute of Political Science, Ho Chi Minh National Academy of Politics and Public Administration

Dr. Bui Phuong Dinh

Director, Institute of Leadership and Policy Studies, Ho Chi Minh National Academy of Politics and Public Administration

Dr. Tran Thi Thanh Thuy

Deputy Director, Institute of Leadership and Policy Studies, Ho Chi Minh National Academy of Politics and Public Administration (HCMA)

【Asian Productivity Organization】

Mr. Naoki Ogiwara

Director, Research and Planning Department

PARTICIPANTS FROM JAPAN

【National Personnel Authority】

Mr. Kuninori Matsuda

Deputy Director General, National Institute of Public Administration,
National Personnel Authority

Ms. Atsuko Kikuchi

President, Japan Association for Public Human Resources Development

【Local Autonomy College】

Prof. Takeji Takei

Professor, Former President, Local Autonomy College,
Ministry of Internal Affairs and Communications, Japan

【Hitotsubashi University】

Prof. Ikujiro Nonaka

Professor Emeritus, Graduate school of International Corporate Strategy

Prof. Ayano Hirose

Assistant Professor, Graduate school of International Corporate Strategy

Dr. Hideki Kawada

Chief Executive Officer, Phronetic Co., Ltd.

Mr. Yusaku Takeda

Research Assistant, Graduate School of International Corporate Strategy

【Japan International Cooperation Agency (JICA)】

Mr. Kato Hiroshi

Vice President, Japan International Cooperation Agency

Mr. Ichiro Tambo

Director, JICA Research Institute

Mr. Hidetoshi Irigaki

Director General, Southeast Asia and Pacific Department

Mr. Jun Sakuma

Deputy Director General for Planning and ASEAN Partnership,
Southeast Asia and Pacific Department

Mr. Shigehiko Sugita

Deputy Director, Southeast Asia Division 4, Planning and ASEAN
Partnership, Southeast Asia and Pacific Department

Mr. Hironobu Murakami

Division Chief, Research Program Division, JICA Research Institute

Ms. Maiko Takeuchi

Assistant Chief, Research Program Division, JICA Research Institute

【National Graduate Institute for Public Studies (GRIPS)】

Prof. Shiraishi Takashi

President, National Graduate Institute for Policy Studies (GRIPS)

Prof. Kiyotaka Yokomichi

Vice President, National Graduate Institute for Policy Studies (GRIPS)

Prof. Hirofumi Takada

Professor, Deputy Director of Young Leaders Program (School of Local
Governance), GRIPS

Prof. Masaei Matsunaga

Professor (Special Assignment), National Graduate Institute for Policy
Studies (GRIPS)

Summary of the Second Policy Forum

Closed Policy Dialogue

Date: March 26, 2015

Opening Address and Introduction

- Mr. Hidetoshi Irigaki, Director General, Southeast Asia and Pacific Department, JICA, made the welcome address by stating that people are becoming aware of leadership development and organizational management in government agencies, critical in solving complex policy challenges and advancing development efforts.
- Prof. Kiyotaka Yokomichi asked each participating country to present their results for research on developing Asian-style leadership and management.
- Prof. Masaei Matsunaga opened the session with country presentation by representatives of five countries.

Country Presentation by Representatives of Five countries

- Prof. Eko Prasajo took the opportunity to explain the Leadership and Management Development in Indonesia, which being a decentralized state, not all policies or cultural mindsets could be regulated at the national level but could be affected with the involvement of the public sector and phronetic leadership.
- ◆ Ms. Pimpan Diskul inquired about the reforms, feasibility of policy assessment in Indonesia and how the government maintained stability and motivated local authority to meet the local needs?
- ◆ Prof. Prasajo stated that the policy regulatory frameworks are created and revised for changing cultural mindset. He added that the public sector is engaged but their involvement is based on the current civil service system.
- ◆ Prof. Supasawad Chardchawarn asked how Indonesia could sustain the reforms through transient bureaucratic reforms.
- ◆ Prof. Prasajo explained that the sustainability of reforms could be maintained with the change in the highest policy frameworks.
- Dr. Alex Brillantes talked about the learnings from Prof. Nonaka's framework and SECI Model and stated that phronetic leadership was a key to being successful.
- ◆ Prof. Prasajo inquired about phronetic leaders and administrative reforms in the Philippines.
- ◆ Dr. Brillantes stated that a phronetic leader is practical and involves people in goal-setting and decision-making. He added that the administrative reforms in the Philippines are circumstantial, although its strength is that all the ideal listening should convert into tacit knowledge.
- ◆ Dr. Cayetano Paderanga inquired about the economic model using altruistic tendencies of building consensus.
- ◆ Dr. Brillantes stated that it is to develop potentially wise, phronetic leadership.

- ◆ Prof. Matsunaga asked about the impact of western and eastern influences shaping the current capacity of the government.
- ◆ Dr. Brillantes stated that they are struggling to combine the best of both the worlds and be adaptable in learning and absorbing new things and being constructive in overcoming the weaknesses.
- Prof. Woothisarn Tanchai talked about the idea of people-centric leadership, core values of Thai, continuous learning through knowledge development and public sector reform in Thailand including public-private partnership for better policy reform.
- Prof. Orathai Kokpol mentioned the need to educate politicians and bureaucrats about the long-term effectiveness of reforms.
- Prof. Tanchai informed that if a policy reform is people-centric, both politicians and bureaucrats should go ahead with it for the betterment of the society.
- ◆ Prof. Agus Pramusinto asked whether the situation would be better if bureaucrats were trained by private companies.
- ◆ Prof. Tanchai said that the public sector is resistant to innovation, whereas in the private sector it is very easy to innovate, so the main concern is how to pass on the knowledge from private sector to public sector.
- ◆ Prof. Chardchawarn stated that the policies should reflect people's needs and be sustainable.
- ◆ Prof. Tanchai replied that the politicians should accept the policies solve the deep-rooted inequality amongst people.
- ◆ Mr. Kuninori Matsuda stated that both public and elected officials are supposed to collect information from their constituencies that reflect the people's needs and start a healthy political process.
- ◆ Dr. Paderanga added that there should be a distinction between reforming policies and bureaucracy by maintaining the strengths of the bureaucracy but also incorporating the good qualities of private sector.
- ◆ Prof. Tanchai said that in order to distinguish between reforming policies and bureaucracy, there needs to be a change in the mindset of public sector officials.
- ◆ Dr. Brillantes added that the fundamental misinterpretation is that bureaucrats can be decision-makers, whereas they can only implement policies.
- ◆ Dr. Paderanga stated that the problem in emerging economies is that bureaucrats think of themselves as decision-makers.
- ◆ Prof. Tanchai explained that bureaucrats should not be involved in policy-making, but can propose policies for the betterment of the society.
- ◆ Prof. Prasojo stated that our next collaboration is a project wherein bureaucrats are trained to be phronetic leaders.
- ◆ Prof. Eduardo Gonzalez said that bureaucrats may be involved in policy-making but decision-making still remains with elected officials.

- ◆ Prof. Chardchawarn added that in Thailand, bureaucrats are the decision-makers and implementers as politicians are not present under a military regime.
- ◆ Prof. Tanchai concluded that although politicians are the real decision-makers, they do not have the know-how and have to depend on bureaucrats.
- Dr. Bui Phuong Dinh talked about how innovation and bureaucracy reform need in Vietnam's case for the ultimate goal of people's prosperity. He illustrated the Doi Moi process, meaning "Bottom-up Innovations Matter", and stated that leaders should create a *Ba* where they can connect with reality, come up with innovative idea and long-lasting results for the betterment of the society. He talked about the essence of fence-breaking in terms of innovation in Vietnam and the ability of phronetic leadership to judge goodness.
- ◆ Prof. Prasajo asked how the ideas of historical leaders were passed onto the current leaders and its influence on the planning system. He also inquired whether socialism could be maintained and sustained in the political system in Vietnam.
- ◆ Dr. Dinh said that the strategic leadership training brings out the historical vision for current leaders. He added that Stalinist socialism have disappeared from Vietnam and a lot of capitalistic things are now a beautiful feature of the economy.
- ◆ Dr. Anwar Sanusi inquired about the influence of a political party on the leadership and bureaucracy.
- ◆ Dr. Dinh replied that since Vietnam has one-party system led by the communist party, the relation between the party platform and government policy is such that the party guidelines for the economic development should be gradually translated into government laws and policies.
- ◆ Ms. Pimpan Diskul wondered if it would be a good idea to tie the KPIs of policy-makers and bureaucrats with their performance and have people appraise them.
- ◆ Dr. Dinh said that the mentality of bureaucrats needs to be changed towards Public Administration Performance Index and Provincial Competitiveness Index.
- ◆ Prof. Pramusinto asked about the difference between socialism and libertarianism.
- ◆ Dr. Dinh stated that there is no clear distinction between the two. Since Vietnam has a parallel governance structure at provincial and local level, they are calling for an institutional change.
- Mr. Matsuda focused on how Japanese public sector still relies on on-the-job training for education and coaching of executive officials. He informed that it is very important that future leaders are born in *Genba* or at the grass root level and involve the local community and incorporate technological advancements for the betterment of the society.
- ◆ Dr. Tran Thi Thanh Thuy inquired about the relationship between public and private sector and performance evaluation.
- ◆ Mr. Matsuda stated that it is beneficial for ministries and agencies to rely on private sector experts that pretty much defines a sustainable relationship between public and private sector. Regarding performance evaluation, he stated that there is a dual-evaluation system.
- ◆ Prof. Chardchawarn asked about differences between level I and II officials.

- ◆ Mr. Matsuda stated that although differences have disappeared over time, clear demarcation comes from the academic background.
- ◆ Dr. Brillantes asked if people from private sector could be appointed at managerial positions in public sector.
- ◆ Mr. Matsuda informed that they do not recruit managers from private sector and that people have to undergo selection to be appointed to managerial positions.
- ◆ Prof. Gonzalez inquired if there is a way to get promoted by using the technical track.
- ◆ Mr. Matsuda replied that there is alternating dual promotion system where officials are alternatively selected from administrative or technical background to maintain a balance.

Summative Discussion Session 1 “The Essence of Organizational Capacity and its Development”

Prof. Matsunaga commenced the session on the issue of organizational management moderated by Dr. Ngo Huy Duc.

Dr. Duc informed that the session look at generalization of organizational capacity development and invited speakers to make their presentations.

- Ms. Magdalena Mendoza presented the insights on institutionalization of leadership based on the case of the National Statistics Office in the Philippines, where the leaders played a key role in unleashing the innovating capacity of organizations.
- Prof. Sadu Wasistiono summarized the findings on the issues of leadership and management and discussed about the locally-proven effective practices to facilitate co-innovation among varied stakeholders.
- Prof. Kokpol compared the two case studies of organizational capacity and development. She talked about the factors as to why organizational capacity in terms of policy innovations is important and explained that the essence of organizational capacity is to create a sense of ownership and produce sustainable results of policy innovation.
- ◆ Mr. Naoki Ogiwara, Director, Research and Planning Department, asked when public officers work under non-visionary leaders, whether there is something that the officers could do.
- ◆ Prof. Wasistiono replied that a leader with a lot of ideas has the potential to implement and innovate, but if the idea comes from the lower level it may get stuck due to bureaucracy.
- ◆ Dr. Duc stated that in order to re-conceptualize organizational capacity, there needs to be a shift to networking as well as knowledge transfer. He also added that innovative ideas actually come from the middle level or provincial leaders, although organizational capacity development is also an important factor.
- ◆ Prof. Wasistiono informed of moving from individual innovation to mass movement.
- ◆ Dr. Dinh added that in Vietnamese case, innovative idea usually comes from followership and that the mission of a visionary leader is to stay in touch with the ground reality, grasp the innovative idea and transform it into an innovation.

- ◆ Prof. Wasistiono stated that the initiative usually comes from the top leader.
- ◆ Ms. Mendoza added that innovation has to be owned or associated with a leader to be adoptable.
- ◆ Dr. Thuy informed that innovation can come from any level and that a phronetic leader is one who takes into account the ideas from various levels and transforms it into innovation.
- ◆ Prof. Kokpol informed that in order to carry out organizational capacity and development, there needs to be a creative organizational culture.
- ◆ Mr. Ogiwara added that creating an innovation-centric culture is really the key for success in an organization but failures should be accepted as well.
- ◆ Ms. Mendoza informed that incentive for generating innovative ideas was actually adopted in NSO.
- ◆ Prof. Kokpol stated that implementers of innovative ideas are incentivized if their ideas are approved for implementation.
- Prof. Ikujiro Nonaka talked about military organization's creating innovation through observation. He informed about a book entitled 'Warfighting' which demonstrated that human creativity and intuition is to acquire intuitive ability to grasp the changes and device a practical solution to execute. He stressed that decentralization is important as it leads to development of knowledge, wisdom, and new paradigms. The common idea is to institutionalize, share, organize, and constantly improve.

Summative Discussion Session 2 “The Essence of Leadership and its Development”

Prof. Matsunaga focused on leadership and how it could be developed and requested Prof. Gonzalez to moderate the session.

Prof. Gonzalez stated that leadership is the major theme of Asian Leadership forum and organizations and leaders need to work together.

- Prof. Chardchawarn discussed the successful phronetic leadership of Dr. Sanguan Nityarumphong who caused a big reform in the Thai public health care system. He stated Dr. Sanguan's principle of 'triangle can move a mountain', which talked of a thorough knowledge of the reform to be undertaken, social movement or support in absence of which reform is not possible. He analyzed what Dr. Sanguan did by using Prof. Nonaka's SECI model vis-à-vis knowledge creation.
- Dr. Anwar Sanusi discussed the case of Joko Widodo or Jokowi, who now the President of the country took a humane approach and an open communication while dealing with the street vendors' problem. This heart-to-heart approach was the essence of the leadership and came up from Japanese value known as 'treat them like humans'.
- Prof. Pramusinto compared Dr. Sanguan and Jokowi's case on how to be a good leader. Essentially, Dr. Sanguan focused on substance, while Jokowi was concerned with the methodology. He also discussed how Dr. Sanguan and Jokowi faced the challenges of how to make innovation sustainable, implementable and replicable.

- ◆ Dr. Dinh inquired whether Universal Coverage is still provided for 30 Baht or \$1 per person.
- ◆ Prof. Kokpol responded that the '30-Baht for every disease' policy is implemented and paid for by the government.
- ◆ Ms. Maria Christina Valte asked what was it about the Thai health care center that allowed for the innovative leaders to arise.
- ◆ Prof. Chardchawarn responded that initially the bureaucrats were resistant to reforms but they had research that helped them to come up with various options beforehand.
- ◆ Prof. Nonaka added that we have to explain and build a model as management researchers, and the key is to determine some performance or strategy.

Open Policy Forum; “Innovating Policies; A New Paradigm to Activate the Governments’ Potential”

Date: March 27, 2015

Opening Address

- Mr. Hiroshi Kato, Vice President of JICA made the welcome address by stating that the international forum would share the Leadership and Management in the Public Sector in Southeast Asia research project outcomes implemented through collaborations of various agencies.
- Prof. Yokomichi, Vice President of GRIPS explained about the unique and challenging points of the research project incorporating Prof. Nonaka’s theory of knowledge creation in promoting administrative reforms and building appropriate leadership.

Keynote Presentation 1

Prof. Nonaka explained that knowledge creation is a spiral of tacit and explicit knowledge where tacit knowledge is important. Knowledge can explain innovation and should be created as a universal concept. The role and qualities of leadership are critical in creating, unleashing and knowledge maneuvering for the betterment of the society. In utilizing the knowledge of citizens, it is important to create *Ba* or a platform to share their tacit knowledge and synthesize it to create the envisioned future.

Keynote Presentation 2

Dr. Brillantes talked about the public servant-servant leader scenario and looked at the principles of Nonaka’s framework, which focused on leaders within the context of knowledge creation and he also looked at the Asian model of building leadership.

Panel Discussion 1 “Reform for Efficiency or Innovation?”

Moderator: Prof. Hirofumi Takada, Professor, GRIPS

Presenters: Prof. Eko Prasajo, Dr. Cayetano Paderanga and Ms. Atsuko Kikuchi

Prof. Takada stated that many Asian countries have been undertaking administrative reforms by adapting the paradigms of new public management and good governance which are generally regarded as global value and we look into the success or failure in the initiatives as well as what remains to be addressed in the future.

- Prof. Prasajo shared the experience of Indonesia in administrative reforms and discussed about the success factors and obstacles they are facing. Indonesia has a new leadership style with “serve the public” by building bureaucratic efficiency and using technology of information and communications to create clean governments.
- Dr. Paderanga talked about the Public Management Development Program and stated that the key lessons learned contribute to the better understanding of what agencies do and push for improvement of qualities of performance indicators and compliance of government standards.

- Ms. Kikuchi talked about the “Reform of the Public Employee System in Japan” which looked at restructuring the personnel management. She focused on the recruitment examination theme which focuses on securing high quality human resource to deal with an increasingly complicated and a diversified administrative agenda.
- ◆ Prof. Takada asked how the seemingly conflicting concepts of innovation and efficiency are incorporated in the principles for reform initiatives in each country.
- ◆ Prof. Prasajo stated that as innovations increase cost efficiency in public services, the goal is to enhance public accountability and prevent corruption in bureaucracy. He questioned Mr. Paderanga as to what are the most enabling and concerning factors in implementing performance management?
- ◆ Dr. Cayetano addressed the issue of efficiency and innovation by saying that they are following the Japanese concept of *kaizen*, where they want to have continuous improvement.
- ◆ Prof. Prasajo inquired about the plan to transform the civil service system and Japanese government’s incentive to young generation for applying to the public sector?
- ◆ Ms. Kikuchi stated that the civil service system is moving to a capability-based evaluation system that depends on personnel evaluation process. In regards to incentives, it depends on a person who is interested in doing something meaningful for the society rather than just earning money.
- ◆ Prof. Prasajo inquired about the most challenging problem in civil service.
- ◆ Ms. Kikuchi informed that the main challenge is switching from seniority-based personnel system to a performance-based personnel system and from a closed career to an open career system.
- ◆ Mr. Goto (Audience) asked if there are any limits to the incentive provided for high performance.
- ◆ Ms. Kikuchi stated that the Japanese compensation system depends on the years of service but bigger changes in the compensation system could be implemented by promoting dynamic performers.
- ◆ Mr. Inoue (Audience) inquired about the innovative policy to tackle corruption.
- ◆ Prof. Prasajo stated that the biggest goal of administrative reform is to prevent corruption by better selection and promoting process for higher positions in bureaucracy.
- ◆ Dr. Paderanga stated the most important innovation is accountability.
- ◆ Ms. Kikuchi added that although the ethics code for public servants was established, there are loopholes and it is very important to have good regulations and to implement such regulations.

Panel Discussion 2 “A New Paradigm from Asia”

Moderator: Mr. Ichiro Tambo, Director of JICA Institute

Presenters: Prof. Woothisarn Tanchai, Prof. Takeji Takei and Mr. Naoki Ogiwara

Mr. Tambo talked about the Asian perspective of knowledge creation and how it could be applied to the public sector.

- Prof. Tanchai talked about good leadership in the case of Thailand and mentioned that for a sustained outcome on value-based training, it should be known that people can learn and development comes from learning process through action.
- Prof. Takei focused on local government activities in terms of policy-making and described how the Local Government, through their experienced policies, could make a successful leap in innovating Tono City.
- Mr. Ogiwara introduced APO, an intergovernmental organization, whose vision is to lead international organizations on productivity enhancement in the region and the mission is to contribute to the sustainable socioeconomic development of Asia-Pacific.
- ◆ Mr. Tambo asked what the significant elements of public administration are in Thailand.
- ◆ Prof. Tanchai stated that the administration organization plays an important role in the development. The Thai Leadership Program is a balance between tools to achieve success and core values.
- ◆ Mr. Ogiwara stated that there are a lot of common values across Asia, so it is worth introducing knowledge creation theory to the public sector which is based on creating shared value, CSV, and corporate social responsibility, CSR, that teach that if something good were done for the society, one could make more profit rather than just having fulfilling personal monetary goals.
- ◆ An audience member asked Prof. Tanchai to talk about the role of the military and its impact on values, Prof. Takei to elaborate on the idea of grandmothers nurturing their children in the future being sustained and Mr. Ogiwara to talk about the challenges in migrating private sector projects to public sector?
- ◆ Prof. Tanchai stated that the role of the military is that it would only tolerate democracy till the time there is an equal distribution of resources among the society, even though the army is well accepted by Thai people.
- ◆ Prof. Takei said that the main purpose of the grandmother story in Tono City is to attract tourists. Efforts are being undertaken by Tono City administration to ensure that storytelling is passed on from older to younger generation.
- ◆ Mr. Ogiwara stated that instead of trying to make a behavioral or a mindset change in a public sector organization, the focus should be on people who already have an evolved attitude and mindset and let them do something creative which demonstrates the kind of value or a possible outcome of knowledge creation or knowledge management.

Wrap Up

Prof. Yokomichi talked about Prof. Nonaka's practical knowledge creation theory influencing not only Japan but also Asian countries for applying knowledge management to administrative reform and achieving a common good. He also talked about Asian values and the need to look at the both of common and specific to each Asian country.

**International Forum on Asian Models of Governance:
Innovating Policies; A New Paradigm of Governance to
Activate the Governments' Potential**

— Report —

Note: This transcript is based on an audio recording. It might not reflect the original written remarks precisely.

International Forum on Asian Models of Governance; Innovating Policies; A New Paradigm to Activate the Governments' Potential

Prof. Masaei Matsunaga (MC)

Thank you very much for taking time out of your busy schedule to attend this program. We would like to begin the international forum: "Innovating Policies; A New Paradigm to Activate the Governments' Potential." On behalf of the organizers, we would like to ask Hiroshi Kato, member of the JICA board, to offer some welcoming remarks on behalf of the organizers.

Opening Address

Mr. Hiroshi KATO, Vice President, JICA

As one of the event co-organizers, let me tell you how happy I am to have all of you with us today. In particular, I would like to welcome the participants from ASEAN member countries. Also, I would like to thank the audience for taking the time to be with us today.

Today's international forum is being held to share the outcomes of a research project on leadership and management in the public sector in southeast Asia. This research project involved collaboration between research institutes and civil service ministries of four ASEAN member countries, namely Indonesia, the Philippines, Thailand, and Vietnam and from Japan, a team comprising Hitotsubashi University led by Professor Ikujiro Nonaka, GRIPS led by Professor Yokomichi, as well as JICA.

As we all know, challenges in international development are rapidly changing and becoming more complex and difficult to deal with. Even in Southeast Asia—an area that many other parts of the world envy for its remarkable economic development—there are many problems, including environmental degradation, internal disparity, political and social instability, and most importantly perhaps, the issue of the middle-income trap.

Very few of these challenges can be appropriately handled using conventional approaches because there are few, if any, readily available solutions. Therefore, these issues require innovative policy responses by governments and stakeholders, such as local governments, NGOs, and other partners.

Recognizing the importance of these issues, we launched our research project two years ago. The purpose of the research project was to seek factors that determined the capacity of governments and various actors to formulate effective policy measures. In particular, the research has been focused on how innovative policies can be swiftly created to respond to various needs.

There are few documented records of successful public reforms that have resulted in strengthening governments' and other sectors' capabilities to produce effective policy

interventions. There are not a small number of successful cases, though, of such administrative and policy reforms.

Therefore, the researchers of the project have looked at various cases of administrative reform and innovative policy interventions. They have probed the issues by synthesizing the knowledge of various disciplines—including political science, public administration, and business management—while uniformly applying Professor Nonaka’s framework based on his theory of knowledge creation.

Ladies and gentlemen in this forum, leading experts who have participated in this research project will share their findings and discuss practical ways to strengthen governments’ and other sectors’ capabilities to respond to a wide variety of challenges.

In the keynote presentation, Professor Nonaka will present the framework that the researchers used to identify the essence of factors that enable policy innovation. His talk will provide perspectives for a multidimensional inquiry focusing on the issue of governmental capacity from the perspective of knowledge creation.

Following that, Dr. Alex B. Brillantes JR. from the Philippines will provide an overview of the research findings. After the overview, we will have two panel discussions.

I am sure that today’s events will provide a valuable occasion for all participants to exchange ideas about how to make enable public organizations—including governments, local governments, and other sectors—more agile in responding to various needs by making innovative policy interventions with agility.

Please enjoy the discussion. Thank you very much for your attention.

Prof. Masaei Matsunaga (MC)

On behalf of the organizers, the Vice-President of GRIPS, Mr. Kiyotaka Yokomichi, will be offering some welcoming remarks.

Opening Address

Prof. Kiyotaka YOKOMI CHI , Vice President, GRIPS

We would like to thank the audience for taking time out of their busy schedule to attend to this event. As the objective of today's forum was explained by Kato, the Vice President of JICA just a moment ago, I will not repeat what he said; rather, as the person responsible for this joint project, I would like to discuss the unique characteristics and challenges of this research project.

Firstly, this project is unique due to the organizational setup with regard to the research. We have put together a research team comprising of members from ASEAN countries, including Indonesia, the Philippines, Thailand, Vietnam, as well as Japan. This multi-country team has collectively carried out the research.

Furthermore, it was our wish that the deliverables of this project not end just as a series of papers. We had people directly involved in personnel development in the public sector. We recruited people not only from academia but also from personnel development agencies to join the project.

For instance, in the case of the Philippines, we were fortunate to secure the participation of the University of the Philippines as well as the Development Academy of the Philippines, DAP, which is in charge of the personnel development of civil servants in the Philippines. Likewise, we recruited people from these sectors from the other three ASEAN countries. In addition, the National Personnel Agency of Japan also participated in the project.

The second unique characteristic of this project is that we have searched for an Asian style in promoting the research, not only in Japan but also across ASEAN countries. The so-called NPM approach has been adopted to carry out administrative reforms. However, the NPM approach is based on applying Anglo-Saxon corporate management methodologies in the public sector.

However, for this project, we tried to adopt Professor Ikujiro Nonaka's theory of the creation of knowledge, which is a unique Asian-style management theory, as the reference framework for the research. Consequently, we hope to find an Asian-style approach to leadership that is more suitable to the public sector in the context of Asian countries and also a management style that is more suited to Asia.

Thirdly, following on from the second point I just mentioned. The current project intends to provide a sort of counter thesis in response to the recent trends in administration reform. Nowadays, there is an emphasis on results-based evaluation and the tendency is to aim for short-term results. However, with that, we will not understand how those results have been achieved.

These conventional approaches generally fail to examine the process that leads to results. However, Professor Nonaka's knowledge creation theory focuses on the process of achieving real results. Therefore, in this project, we have applied Professor

Nonaka's theory to ascertain what sort of processes can achieve innovative results in the public sector.

Furthermore, we have tried to understand what sort of leadership can promote innovative results. These were the sort of issues we focused on as we researched success stories from different countries across the region.

The participants of today's forum are requested to give their prior understanding about this project and are asked to actively partake in the event.

With this, I would like to conclude my welcoming remarks on behalf of GRIPS. Thank you very much.

Prof. Masaei Matsunaga (MC)

Next, Mr. Ikujiro Nonaka, Professor Emeritus of Hitotsubashi University, will be delivering a keynote speech. He will discuss the new theoretical framework called the knowledge creation theory. He has spearheaded international interest regarding knowledge creation and knowledge management. This research has had a considerable impact in the international arena. His achievements are known not only in Japan but also in the US and the UK. He has achieved international recognition for his work.

Today's lecture is titled: "Unleash the Knowledge Potential of a Nation, Region, and Community: Co-creating Values for Society." He will be looking at new approaches to management in the public sector. Professor Nonaka, we invite you to begin your presentation.

Keynote Presentation 1

Prof. Ikujiro NONAKA, Professor Emeritus, Graduate School of International Corporate Strategy, Hitotsubashi University

Title: Unleash the Knowledge Potential of Nation, Region, and Community: Co-creating Values for the Society

I am honored to have the chance to be here today to talk about the outcomes of the joint project between JICA, GRIPS, and Hitotsubashi University. I will present a lecture titled: “Unleash the Knowledge Potential of a Nation, Region, and Community,” however, my theory is not yet complete; it is an ongoing process. What I will present here today is actually the outcome of a co-creating process with our partners: participants from Asia, scholars, practitioners and so on.

Let me introduce a basic idea of my thinking; very simply put: “knowledge creation is a spiral of tacit and explicit knowledge.” However, tacit knowledge is primacy. That is the first thing to be stressed, and the second thing is that to promote this dynamic process, the role of leadership is very critical. However, leaders require practical wisdom. By practicing tacit and explicit knowledge, we may develop or convert knowledge to wisdom.

Regarding the second point, I will discuss the qualities of wise leadership. Finally, I will present how to create and unleash knowledge; these are the three points I would like to discuss today in my presentation.

As we know, the 21st century has been characterized as the era of knowledge societies and knowledge creators. Our theory is not based on neoclassical economics but rather on theories emanating from the Austrian School of Economics. Peter Drucker, for example, is not an economist; nonetheless, he is part of the Austrian School of Economics. He pointed out that knowledge is the only meaningful resource today. We need an economic theory that places knowledge at the center of the wealth-producing process. Knowledge alone can explain innovation.

Also, Schumpeter presented the concept of “creative destruction.” In addition, Hayek. F.A. interestingly stated that “the market is not a place to compete rather it is the place for discovery and innovation.” Hayek also mentioned that the market is related to tacit knowledge.

What is knowledge? While I am not a philosophy expert, I understand that the most significant characteristics of knowledge is that: “Knowledge is created by people in their interactions with each other and the environment.”

It is a dynamic social process of justifying one’s gut feelings or beliefs towards truth, goodness, and beauty. That is why innovation itself is in essence a knowledge creation process.

So, concerning the definition of knowledge, perhaps we have to first study philosophy. To explain briefly, I will show an image of “The School of Athens” by the Italian artist Raphael.

At the center of this picture, is Plato, who is on the left and Aristotle, who is on the right. Plato is pointing to the sky, representing his theory that truth or “idea” is in heaven. He is the Father of Deduction, said to be idealistic and universal; this is a more scientific approach. Aristotle is covering the ground indicating that truth is on the earth. He is the Father of Induction, and is said to be pragmatic and particular. What does this picture tell us? We need to create knowledge; our approach and our thinking is closer to Aristotle’s ideas.

I will now introduce the concept presented by Michael Polanyi. His concept is “tacit knowledge” and “tacit knowing.” His basic proposition is against Plato’s ideas. Polanyi said that: “Knowledge is either tacit or rooted in tacit knowledge. We can know more than we can tell.” St. Augustine said similar thing: “Unless you believe, you will not understand.” Knowledge derives from our gut feelings about what we would like to do. At the beginning, it is not objective; rather, it is very subjective. Nonetheless, we try to balance between the two.

We need to free ourselves from the prejudice of considering only objective, scientific, and explicit knowledge as knowledge. We need to restore the perspective knowledge which will balance belief more on the tacit side and rational on scientific side, art and science, by admitting “knowing” requires the commitment of the individual. Knowledge is not just given to us; it is something we have to commit to and create from inside ourselves.

A metaphor is perhaps an iceberg: the tip above the water corresponds to explicit knowledge, and the part that is immersed deeply beneath the water corresponds to tacit knowledge or tacit knowing. But we do not say that explicit knowledge is not important; rather, converting tacit to explicit knowledge is quite important. As Hemingway pointed out: “The dignity of movement of an iceberg is due to only one-eighth of it being above water.” We have to create an essential language, concept, story, or model from tacit knowledge, otherwise our tacit knowledge cannot be universal.

Having said that, we have developed what we call the SECI model; it starts with empathizing with reality through actual experiences, a step called socialization; condenses the essence of awareness into the concept: this is externalization; relates the concepts and systemize: this is combination; and creates value in the form of technology, products, software, services and experience and embody the knowledge: that is internalization. At the same time, internalized tacit knowledge will stimulate the emergence of new knowledge in the organization, market, and environment, and spiral toward the next socialization step. It is a relentless pursuit for excellence.

Through the continuous and fast spinning of the SECI spiral, an organization can build its synthesizing capability to pursue both creativity and efficiency. This is different from what is called the PDCA model that starts with the planning, as it does not draw on no

direct experience or gut feelings. The SECI model is more of a creative inductive process rather than a deductive process. However, both are required: deduction is necessary in the combination step. Our approach is more like that of a craftsmanship, a theory of discovery and creation, but at the organizational level.

Having said that, the role of leadership is one of the main topics of the joint project. We have had a number of discussions about the role of leadership in promoting the SECI process to spiral forward. We have studied a variety of leaders including politicians, military leaders, company leaders, and/or public sector leaders; as a result, we have determined that six conditions are required to develop wise leadership. A wise leader is based on Aristotle's concept of phronesis, which translates as "practical wisdom" and "practical reason."

The six conditions are as follows: The first one is to set a good goal; the second is to perceive reality as it is; the third is to create a shared context with which to share knowledge; the fourth is to grasp the essence behind tacit knowing in terms of it being a concept which dynamically creates the narrative and so on; the fifth is to exercise political power, in a sense fighting smart; and finally, we have to distribute these skills throughout the organization in order to foster phronesis in others, resulting in distributed leadership.

These are the six conditions that have been identified so far. Applying this to the public sector in a three-dimensional model, we combine the SECI model with wise leadership and create a national wise leader model.

This model represents the process of expanding national wealth by unleashing a leader's potential capacity through a SECI spiral driven by wise leadership. If we distribute the nation's wise leadership across the national, regional, and community level, it looks like a three layer model. It represents the whole nation; while the leadership is distributed and autonomous, it is collective.

I will use a metaphor: a tin soldier, which is very rigid, represents bureaucracy. Nonetheless, once it breaks, a part can never represent the whole. Another metaphor is Matryoshka: even if it breaks down, a part can represent the whole. It is distributed and self-organizing, and also everybody exercises leadership.

Starting with the national level, we just published a book about a national leader from the 1980s when the leader was in a high profile position than today, such as Reagan, Thatcher, Deng Xiaoping, Kohl, Gorbachev, and Nakasone.

We found one major commonality, which is they possess, to some extent, practical wisdom, or more or less very pragmatic wisdom. When I discussed this with Professor Mahbubani, Dean of the Lee Kuan Yew School in Singapore, he said that Japan was able to adopt a Western approach because the country is pragmatic. Japan approached the challenge of modernization with no ideological notions. Japanese people were at the frontline, which enabled them to understand what was behind the phenomena. In a sense, this was very pragmatic. Also, he referred to Deng Xiaoping's

definition of pragmatism: “a cat is a good cat either black or white, as long as catches the mouse”; this is a very famous quote.

Our research revealed that leaders from the 1980s adapted a very pragmatic approach; nonetheless, they also exhibited idealism. In a sense, one of the philosophers of pragmatism, Rescher said: “Optimum results are claimed to be obtainable only by trying for too much, reaching beyond the limit of the possible. Humans are living in the worlds of reality and also possibility.”

Idealism can never be achieved, but because we try to achieve such an aim, we can go beyond our limits. That is the source of creativity, what motivates us in a way. This kind of idealistic pragmatism was the philosophy of leaders of that time. It seems to me that they worked towards a common good, which is the first condition of wise leadership.

Because time is relatively limited, I will illustrate these six conditions, focusing only on the important points.

At the regional level, there is the case of Mr. Khun Chai of Thailand, my friend. He leads the Doi Tung Project and is a wise leader. His vision was to bring the “world” to local farmers by helping them to help themselves. In a sense, he is very down-to-earth and pragmatic, but also idealistic.

He set a long-term plan to reforest a damaged area called the Golden Triangle where people grew opium. He helped the farmers to replace opium with coffee and macadamia nuts. This added value to the harvests as the farmers could gain a higher return.

A sustainable livelihood model has been deployed at Doi Tung; it was subsequently implemented in other Asian countries, such as Indonesia, Myanmar, Afghanistan, and so on.

Also, at the regional level in Japan, Hiroshi Iijima is a very interesting person, who has revived the “Dead” Lake Kasumigaura. He has a vision that in 100 years from now, Japanese crested ibis, Toki, will fly over the lake of Kasumigaura.

However, Iijima did not begin with this vision; rather, he began with a very hands-on approach. First, he went to the frontline to study the environment; he walked around the lake four times a year with children of different heights. He was interested in their different views regarding what treasure they thought was hidden behind the lake. Eventually they found the treasure: “asaza” or water lily.

The problem was that the government had built a concrete rivet causing the water to crash against the concrete wall; the government then removed the soil below which eventually destroyed the ecosystem. Iijima found the water lily and saw that an ecosystem still existed. He realized it existed in order to reduce the waves.

He studied all aspects of asaza and then set up a foster parent project for asaza, starting with the local community. He attempted to persuade students, parents, and teachers; eventually, he created a movement. He then broadened his goal from reviving the lake to reviving the region; he also connected the movement with other local issues.

Once Iijima succeeded in creating the asaza movement, he focused on building a new business model. He worked on purifying the water which poured into the lake. He then started to cultivate the rice fields; in this regard, he collaborated with companies interested in CSR activities, as well as the manufactures of sake and so on. It became a successful model which complimented the wider business model of the whole area.

Iijima's point was to involve the local community, not only companies and NPOs; rather he was particularly eager to involve children so as to nurture their attachment to the local community. He refers to this as the dynamic dragon framework. This project is very similar to Khun Chai's project.

The city-level example is Mitaka City. The mayor of Mitaka City once said that citizens have more knowledge about the city than city officials, so why not involve them in co-creating long-range city planning so they may use their knowledge.

Shortly after, Mitaka City created a platform which enabled citizens to share their tacit knowledge. The platform facilitated dialogue among citizens, where they could co-create and articulate a story; eventually the citizens created a concrete business model for the city.

Between 1999 and 2000, Mitaka citizens created the city's Third Grand Plan. The current Mayor, Keiko Kiyohara, was one of the participants of this initiative. She later commented that Mitaka's goal was to be a "context city" that could be used to encourage other such encounters.

The initiative was called the Citizens Plan 21 Conference. A total of 375 citizens participated; after 775 meetings held across 784 days, the Third Grand Plan was completed.

Most recently, an interesting development in Mitaka City is the creation of the Fab-Lab.

Fab-Lab is interesting as it originated from Silicon Valley. Silicon Valley today is very much changing. Many known entrepreneur-type Fab-Labs have been established with the support of entities, such as my school, Berkeley, Stanford, and also many banks and other businesses. In the past, they had nothing to do with the entrepreneurs. Why are those companies coming in? That might be because they have to see the reality, especially the creative process. Can we develop any discipline from there and share the entrepreneurial culture? One of the interesting things is what is called the Tech Shop.

A Fab-Lab is similar to a Tech Shop. A Tech Shop is very simple physical place like a warehouse, which is equipped with various tools, such as 3-D printers; anyone can

use the tools if they pay an annual membership fee. So the point is whenever members get together, they exercise the SECI creative process among themselves in order to generate ideas. They engage in discussions, create designs together, use laser or other machines, and 3-D printers to create ideas in a concrete form.

This service is in line with Obama's policy to revive manufacturing in the United States. I do not know whether this can be achieved or not; however, it is very ambitious.

Tech Shops have been developing variety of project leaders, as people enjoy working together to create good projects. Tech Shops have become the Ba or a platform for local people to start their own businesses, encouraging entrepreneurship. It is a very interesting way of connecting people in a very practical way.

By the way, I just returned from Silicon Valley. An interesting trend I witnessed is that large corporations and public organizations are trying to be more creative. They try to buy start-up ventures or collaborate with creative companies and people in Silicon Valley. However, it seems to me it will not work because of cultural habits; in other words, the KPI incentive system is totally different between established companies and start-ups.

Large corporations' basic philosophy is, if I may use a military metaphor, "ready, aim, and fire." A very rationalistic approach, right? But in the case of start-ups, the philosophy is: "ready, fire, and aim." If large corporations can implement their "ready, aim, and fire" philosophy it is OK. But usually, what they do is "ready, aim, aim, aim..." When do you shoot? You see, that is a very interesting metaphor. That is why they now work together in the same building, it is a type of apprenticeship. We share the same context and habits, you see. The creative process requires us to work together to actually understand and practice the creative process. Not only work together, but sharing the context and so on. That is why the organizational apprenticeship is critical to developing practical wisdom.

Perhaps the private sector has been leading the way in terms of creating institutionalized and organizational innovation processes. One of the most interesting cases is Fujifilm, which is headed by Mr. Komori. Their market drastically reduced in the 2000s. Komori stated that Fujifilm without a film market was like Toyota without a car market. He decided to create a new vision even without a film market, as he was determined to transform Fujifilm into a leading global company. He used "muscle intelligence" to determine dynamic and speedy judgments and actions. He created his strategy based on his knowledge of technology and science which he had accumulated while working for Fujifilm. He led the change by mobilizing everybody's knowledge.

One example is Fujifilm's Advanced Research Lab with the concept of open-lab, open innovation. The laboratory is open to people from inside and outside of the organization in order to encourage diverse knowledge. Intellectual fusion, innovation, and value creation were the three key measures, which led them to convert the company into an open platform globally. In that sense, distributed leadership worked

well, which is the sixth component of wise leadership. While Kodak never fully recovered, Fujifilm has expanded its business with good financial results so far.

Here are a couple of other examples. Even one person in the frontline can be a mini-CEO. Kuroneko Yamato, the sales driver; the Shiseido beauty consultant, Kagaya, is Nakai-san, a waitress at the traditional Japanese hotel. In a Seven-Eleven, with the support from operation field counselor, even a part-timer is practicing hypothesis development and testing on merchandise. This type of practice is a completely shared, distributed practice, what we call creative routine, or Kata in Japanese; Shu-ha-ri, the relentless pursuit for excellence. It is distributed through their Kata, or habits.

Recently, I talked with Mr. Zhang of Haier, the director of a Chinese white goods company. He told me something interesting: out of 80,000 employees, the company created 2000 ventures. They call each venture a self-organized unit and the leader is a mini-CEO who is generally a middle manager with a volunteer base.

Mr. Zhang's vision is that everybody has to be the CEO; he changed the organizational structure to an inverted triangle. The highest level is the user followed by the customers; each self-organizing unit interacts and shares the context with the customers at the next level. Also, they make full use of ICT, the big data. Employees may develop some interesting hypothesis at the frontline, which are then backed up by the global ICT, however, they maintain their human interaction locally. Mini CEOs synthesize with the customers, create concepts, and eventually establish business models.

The inverted triangle is a very interesting model. In terms of research and development, they bought Sanyo's white goods division. Haier make full use of the good aspects of socialism and also capitalism, creating a kind of hybrid system. That is one of the tendencies today.

Also, in terms of the six conditions, political maneuvering is an important part of the process. We have to make full use of wise maneuvers to implement a vision, business model, or narrative. How to use a good power mix and power balance is very, very important. But this area is most likely contextual. There are six bases of power: hard power or soft power, and we have to use them flexibly.

The most fundamental power of the wise leader seems to be referent power. Referent power is to control by love. This requires making the other person think you want to be like them. I would like to make sacrifices so we can attain your vision together. I would like to devote myself to him or her. This kind of power is very common across cultures. Other power seems to be developed based on the context.

The wise leadership skills and qualities, which are more or less on the tacit side of, have been recently validated by scientific research, among others neuroscience. One of the most interesting findings is how children succeed. Heckman, a Nobel Prize winner from the University of Chicago, found that the following skills do matter in children's success.

Grit/perseverance, self-control, zest, enormous commitment, social intelligence, gratitude, optimism, and curiosity. These have almost nothing to do with what is called cognitive skills, or IQ. What matters more is non-cognitive skills. It seems to me that all of these skills are somehow related with practical wisdom.

Non-cognitive skills seem to be essential in terms of pursuing a goal. Of course, we have to have cognitive skills as well. These non-cognitive skills mostly will be developed in the family by parents; as adults, they will be developed within organizations by managers through an apprentice system. These kinds of skills are very difficult to be manualized. We may be losing this type of fundamental practice and so we need to develop a new style of apprenticeship in organizations.

In conclusion, public management needs to involve multiple and diverse stakeholders to promote collaboration and synthesis. Policy making and management is about continuously unleashing the knowledge potential of the people, community, region, and nation; their individual narratives need to be synthesized to create the envisioned future. Physical resources may be limited, but human resources, especially knowledge, is unlimited. We defiantly can unleash people's potential.

Policies need to be developed that create open-ended narratives in an ever-changing dynamic ecosystem with knowledge maneuverability.

Lastly, we are idealistic pragmatists who pursue both thinking and action. Intelligent muscle, as mentioned by Kunchai from the Doi Tung project, is important. Also, Inamori, Director of Japan Air Lines, who was responsible for reviving the company said: "intelligent barbarian." These concepts relate to what we have been talking about regarding practical leadership or phronesis. The relentless pursuit of the common good is fundamental.

Thank you very much.

Prof. Masaei Matsunaga (MC)

I would like to ask Professor Brillantes, the Commissioner of the Commission of Higher Education in the Philippines, to deliver an overview of the research conducted by his program.

Keynote Presentation 2

Dr. Alex B. BRILLANTES JR., Commissioner, Office of the President, Commissioner on Higher Education

Title: Leadership and Management Development in Asian Countries: Exemplary Cases in Indonesia, Thailand, Philippines and Vietnam
"THE PUBLIC SERVANT, *SERVANT LEADER*"

It is an honor to make this on behalf of the team. This is a product of a team effort and I was given the opportunity and privilege to summarize the work of our team led by our incredibly distinguished Professor Nonaka. What a pleasure and privilege it is to work with you, Professor Matsunaga, Professor Yokomichi and our friends.

What I will try to do is to put together the strands of the different presentations and merge lessons. To a certain extent, we are trying to look at the principles developed from the Nonaka framework and import them—or adapt them—to the public sector setting.

One thing that we could look at - since we are eventually going to focus on the public service is the Wise Leader within the context of the public sector. We will be drawing from the principles of a wise leader as applied to the public sector setting. It will be recalled that leaders in the public sector have always referred to as "public servants." And another fundamental ideology that has emerged among public servants is that they are also "servant leaders." Thus, we will be talking about a wise leader who is also a public servant, and a servant leader. Hence we will be describing a "public servant, *servant leader*" building upon Nonaka's "wise leader."

I will also provide an overview of our research project and its key findings. I feel very unworthy to do this - but I will try to weave a tapestry from the different, incredibly written, well-researched work of our colleagues and discuss the key findings within the specific contexts of the cases.

I think it is indeed very important to always underscore one subtext here which is the context. The context is very important whether it is in Indonesia, the Philippines, Thailand, Japan or Vietnam, etcetera. Context is important. But there are certain things that could cut across which I have tried to just parse out. So, we will draw from the different materials drawn from the case studies of these different countries. All these studies were informed by the frameworks of Professor Nonaka: the Wise Leader and the SECI Model.

The Nonaka Framework focuses on various ways and approaches. The Nonaka Framework focuses on ways, approaches to creating knowledge leaders within the context of knowledge creation. Knowledge creation is a key feature of your model.

As Professor Yokomichi earlier said, "Is there really an Asian model?" Is there really an Asian way of looking at things within the context of reacting to all this 'Western-driven, Western-informed theories'. We are not saying it is bad. We are not saying it is

good. The important thing: It is really something that has evolved from us. In one sense, we talk about it being bottom-up.

Two particular aspects that have come out in our discussions are the facts that (1) leadership does matter, and (2) leadership does matter *in sustaining innovations*. Sustaining innovations - the key to stability - is understanding that it is not really when the leader is there; but it is when the leader is pulled out, his reform, his innovations, are still there. In some countries, we have found out that you have good innovations when the leader is there, but when he goes, there go the innovations and changes. There go the projects.

As we have discussed in our framework many times, a key to measuring the success is what happens to the reform. What happens to the changes after the leader is gone? That is certainly a mark of an innovative leader.

Another aspect that we have discussed is juxtaposing leadership and management: P We have writers who pose the question: Are you a manager or are you a leader? Can you be both? That would be in western literature. But when we talk about management is leadership, to a certain extent, that is what is emerging.

My presentation draws upon the work of our colleague-researchers. Dr. Agus; Dr. Supasawad, Dean; Madam Diskul; Dr. Duc; Dr. Gonzales; Madam Orathai; Dr. Mendoza; Dr. Prasajo, Vice-Minister; Dr. Anwar; Dr. Woothisarn; Dr. Dinh; and of course, Dr. Sadu. We all have been working for the past 2 years exchanging literature, exchanging materials, engaging in debates, discussions, etcetera, and trying to weave the leadership style - the Asian style of leadership - informed by the framework of Professor Nonaka: the Wise Leader, the six points, the SECI Model. This would be the six aspects of the Wise Leader and the SECI Model.

What I will focus on is leadership and management in the public sector. You all know the fundamental principles of: the Wise Leader and the SECI Model as provided for in the framework of Professor Nonaka. We shall apply these to the public sector, because many of us are in the discipline of public administration. But we must recognize that was pointed out by Dr. Paderanga when we talk about public sector, it is not always government alone: it could be government and the business and civil society. But all of us are working towards, as Dr. Nonaka has already said, the common good.

Public sector that could include the private sector, the business. You talked about the example of Khun Chai and Mr. Meloto. It could be in the business sector. It could be an NGO. But what ties them all together? What makes them public is their collective desire to promote the common good.

In other words, we are talking about the wise public servant leader: he, or she, is a public servant, but is also a servant leader.

What I will do is to try to come up with a storyline in making my presentation, embedding the wise public servant, servant leader principles informed by the Nonaka

wise leader framework: Is it a tragedy? Is it a comedy or is it a romance? I will try to adopt the romance approach, i.e., we have motivation, inciting incident, difficulties, climax and resolution. Under each of this, I will point out the principles or processes of a wise leader. A wise public sector leader. A wise servant leader. A wise public sector servant, servant leader.

We will try to tell a story within the context of a romance with the motivation, difficulties, climax and postscript as the major components of the plot.

We begin with the inciting incident – the motivation – of the romance. These will inform the first two principles of the public servant, servant leader.

Looking at the experiences of Thailand's Khun Chai, Mae Fah Luang Foundation, Philippines' Antonio Meloto and Gawad Kalinga and others, we can draw the draw the first two principles, within the context of what motivates them:

Public Servant, Servant Leader (PSSL) Principle Number 1: the public servant-servant leader has a vision for the common good of the community. This was seen in the examples of Khun Chai in Thailand, Antonio Meloto and others, including Vietnam.

Indeed, the servant leader has a vision. Dr. Nonaka also pointed the importance of the vision. He or she knows where to bring his or her people. To a certain extent, the vision is not his. It is a collective vision. The point: The public sector-servant leader has a vision, and is driven by a vision.

PSSL Principle Number 2: The second principle is that the public servant, servant leader has some inherent goodness rooted in integrity, humility, compassion and selflessness. It was within this context that my colleague researchers will remember the debate we were engaged in yesterday: Is the leader born or made? Or both? I do not know if we were even asking the right question. But we agreed that the leader has to be there at the right place at the right time. But more important, the leader has to have something within, the inherent goodness we pointed out as principle number two. This inherent goodness rooted in integrity, humility, compassion and selflessness - again Khun Chai and the Mae Fah Luang Foundation, Mr. Meloto and Gawad Kalinga, Indonesia's Jokowi.

This inherent goodness is related to their selflessness in relation to how they regard power: the PSSL did not seek, or others would put it, lust after power. Based on the cases, we observed at Meloto and Jokowi did not seek power. President Jokowi was a former Mayor. He did not seek power but he became President, paradoxically, a position he did not seek. He was selfless. He worked with the people. Mr. Meloto from the Philippines always talks about: "My power comes from not desiring power." The point is that a public servant-servant leader has some inherent selflessness, humility, compassion and integrity, so that would be, as I said, the motivation, what makes him there. We are now looking at the motivation of a public servant-servant leader.

Moving on with our drama: what are the difficulties encountered by our PSSL. These inform the next three PSSL principles.

PSSL Principle Number 3: The public servant-servant leader plays multiple and, sometimes, conflicting roles and has to reconcile these roles: he or she works as a regulator and an enabler. The PSSL works within rigid rules, yet must be flexible. He must be transformational. This is what our colleague Vice-Minister Eko Prasajo pointed out in our discussions. Given the Asian context, the wise leader must be both transformational, yet transactional. Transformational and transactional, is that possible? That is why the public servant-servant leader has some difficulties playing and reconciling these roles, as seen in our different examples.

He must be neutral, yet must take a stand. To a certain extent, most of these are quite oxymoronic and even conflicting. But the public sector servant leader has to reconcile these if he is to be able to attain his or her goals. This came out in: Vietnam's Truong Minh who was able to work on these conflicting roles; Quezon City's Mayor Sonny Belmonte; Thailand's Dr. Sanguan who encountered conflicts in designing and developing Thailand's massively successful public health program, This was also true for Thailand's Pongsak Ying of Yala Municipality and Indonesia's Regent of Jembrana. So multiple roles, how does the wise public sector servant leader reconcile these multiple and sometimes conflicting roles?

PSSL Principle Number 4: the public servant leader develops and builds partnerships and coalitions. He brings people together, rather as again being divisive. It might sound very idealistic, but that is his job. That is why he is the leader. He has to work with divisiveness, but at one point, becomes now the symbol of unity. He brings about partnerships and coalitions, as seen in the examples of Thailand and the Philippines. You have the motivation, but he is finding out some difficulties. Some of these difficulties he has to work on and develop partnerships.

We now go to the next phase of our romance: the climax of the drama after the PSSL is able to cope with the difficulties. Based on the cases written, we are able to identify three principles.

PSSL Principle Number 5: The public servant leader lives with the people and fosters ownership of the initiatives and reforms among the people. As I was writing this, I was wondering if developing ownership among the people is really a difficulty or a way out of the difficulty, but it could be both. To be a little more positive, let us say, the PSSL gets out of the difficulties by developing ownership of reforms among the people. This he does by living with the people. By being with the people. He feels with the people and fosters ownership of reforms. It is hard to bring about reform, but there are people who will support you if they own the reform. That has come out in our 12 or so cases.

The Mayor of Yala Municipality. Kim Van Ngoc and the Block Grant provinces in Vietnam. I appreciate the insightful comments of Dr. Dinh and our colleagues from Vietnam during the debates. They referred to the saying that the "smartest guy is not in the room". Wisdom is not among the arm chair intellectuals and officials in their air-conditioned offices, but can be found among the people. The farmers. The workers. Those not in the room! That is why it is imperative to develop partnerships with them. Partnerships. In other words, "it is not us. It is the people. Get out of the room." Our Vietnamese colleagues reminded us of that principle yesterday, the same is true with

Indonesia's Blusukan community and Indonesia's Jokowi. Indonesia's Jokowi, who was the President, "treated street vendors like human beings." In Vietnam, they say, "Leaders eat from the bowl where ordinary people eat." Be with the people and that is now when you begin to get out of the difficulties.

PSSL Principle Number 6: Still part of the climax of our romance. The public servant leader mentors young leaders. A public servant - servant leader develops the young. Leadership is when you bring about young leaders. We talked about it in our discussions earlier and, even today, when we talk about succeeding steps. We talk about developing a new generation of leaders. Leadership does not end with you, but by developing the young people. Be selfless. Do not keep the knowledge to yourself. Build self within the context of creating the Ba, as Dr. Nonaka would always say. The public servant leader mentors younger leaders, as was done of course, by Vietnam's Ho Chi Minh and Mr. Meloto.

PSSL Principle Number 7 which is part of the climax: The public servant leader is a reformer and a risk taker. He is not afraid to take risk. It goes with the job. You have to take risks. Otherwise, "You were elected as such, or appointed as such. Who said life is easy?" You have to be a reformer. I think in Indonesia, they have an excellent example. I think, this came out in our last workshop. Indonesia has more than 300 out of 500 outstanding local officials, including the Mayor of Jembrana regency, who were put in jail for challenging the system. Public servant, servant leaders question the status quo. They are non-conformists.

That is part of their job. In the Philippines, many times PSSL leaders say that having cases filed against you in the ombudsman is sort of a badge of honor. I have worked with many mayors in the Philippines. The mayors say, "Hey, there is no case filed against me". Another will say, "There are many cases against me, but the cases were dismissed".

The point is: if there are no cases against you, maybe you are not doing anything. You go out and take risks. I am not saying that that should be an indicator of performance, but to a certain extent it comes with a territory. The point is a public servant-servant leader has to take risk on behalf of his clients for the common good.

After the climax, we now have resolution in terms of being able now to get out of the woods. It is within this context that we now come to the resolution of our romantic drama.

PSSL Principle Number 8 addresses precisely that concern: Public servant, servant leaders engage in reexamination, self-reexamination and self-criticism for continuous improvement for the common good. Truong Chinh of Vietnam, Dr Sanguan of Thailand, Tony Meloto of the Philippines, among others, practiced these principles.

After the difficulties encountered by PSSL leaders in the multiple conflicts, reconciling roles demanded by their position as transactional versus transformational leaders indeed. This whole dimension of transactional and transformational is a good example of one difficulty that they face, right? Should I compromise or should I stick to

principles. A good example would be Dr Sanguan of Thailand. The public health program illustrated how Dr S stuck with guns, yet worked with the Thai Rak Thai Party.

He did not compromise, but to a certain extent Thai Rak Thai adjusted to him, rather than he to them. The PSSSL knows how to practice the art of compromise yet remains steadfast to his principles.

As I was putting these notes together, I was debating whether to put this “art of compromise” principle in motivation in the first part of the romance where we point out the characteristics of the individual. But I said maybe, we could put it in the end. I saw it as a theme and a thread that emerged out of our cases. The public servant-servant leader engages in continuous reexamination and self-examination. Our examples from Vietnam showed this. In other words, our fundamental variation of self-criticism, humility. Humility is that I am not perfect. I have to continually reexamine myself.

PSSSL Principle Number 9 that brings us to basic practical imperatives as part of the resolution of the romance. The public servant-servant leader’s power must be in his or her special skills. In other words, you cannot only just be a leader. You have to show that you know it. You practice it. You walk the talk. Develop your own skills. This came out in the use of information technology. We have had leaders, for instance: Butch Africa of the National Census Office; Indonesia’s Mayor Rismaharini, Mayor of Surabaya City and e-governance; Sapawarga, public hearings by citizens; and Mayor Sonny Belmonte, among others, used technology and special skills to improve the delivery of services for the common good

Use your skill. It could be technology. It could be computer. The public servant, servant leader should develop his skills. That is why he is a “technocrat.” His power, “*cratos*.” comes from his skills and he has to develop that within the context of, what we said earlier, continuous improvement. Recognizing that there are areas that he has to develop.

PSSSL Principle Number 10: the public servant is relentless in his pursuit of continuous improvement for the common good. This came out in Dr. Nonaka’s presentation today and of course, in the readings. The PSSSL aggressively pursues changes and reforms. He just continues. He is almost driven by them. Indonesia’s Jokowi, when he was still trying to work with the street vendors, showed how relentless he is. He met with the street vendors for over 300-400 times, just meeting with them. Relentless. Telling them, I am with you for the common good. He did not give up. As a public servant-servant leader, he is relentless in his pursuit of changes and reform. He just keeps pushing and pushing on in order to continue the reform resolution.

Finally, the last two PSSSL principles. PSSSL Principle Number 11: the public servant leader sustains and helps build upon earlier gains. This is really a problem sometimes in the bureaucracy, in our countries in Southeast Asia. Very true in the Philippines. When, sometimes, you have a Mayor, or you have a bureaucrat who takes over. What he does, is that he simply sets aside what was done and comes up with his own reform.

But as we discovered, they just simply renamed the reform. It is basically the same. But the public sector-servant leader builds upon, recognizes the fact that: “This is not my own. I am here and I am just occupying a particular point of history, but I am building on the gains of previous leaders and hopefully future leaders will build upon this.” So, a recognition that he builds upon earlier gains. This was seen in the case of the National Census Office.

Finally, PSSSL Principle Number 12: the public servant leader co-creates. This is at the kernel. This is really at the core of the Nonaka framework. Creating knowledge that becomes your source of real power. The public sector servant leader co-creates knowledge bringing together government and bringing together appropriate stakeholders - it could be the government, it could be civil society, it could be business - but he brings them together, remember partnerships, in order to sustain them. We are now talking about resolution bringing about the changes.

The public servant leader co-creates knowledge among these different sectors and this was seen in Vietnam, in Thailand. Dr. Sanguan’s incredibly insightful “Triangle can move mountains principle” is simply brilliant: he said that the triangular combination of knowledge, - knowledge of the public sector, knowledge of the university and knowledge of business and the civil society and then the political leader is so powerful that it can move mountains and be incredibly powerful and explosive.

We can have incredible challenges. But you can move these challenges. You can confront these challenges, if you have this triangle wherein government, civil society work together with those who create knowledge.

In other words, people, in this case we as academics have to confront the hard question: Are we useful? We certainly are. Because, as graphically pointed out by Dr. Prasojo: academics are criticized for just giving lectures and analysis without implementation. His retort to many politicians when they tell him, “Why do you not just run for public office if that is the case?” The academic’s retort: “Why do you not just come and give the lectures?”

The point is all of us have our own specific strengths. A triangle that can move mountains, all of us working together, in terms of motivation, in terms of conquering difficulties, and in terms of generating partnership.

Finally, may I end this keynote presentation by sharing with you a reform framework we have been working on the past years that to a certain extent provide some point of convergence for the 12 PSSSL principles we discussed here. The reform framework points out four major areas of reform for the public sector. Reforms have to be targeted at institutions (changing laws, procedures, processes) and also, equally important and this kept on coming out in our discussions for the what, past 2 years the imperative to mindsets and values.

Our colleagues from Indonesia argued about the imperative to change mindsets in relation to the so called culture mindset paradigm. Sometimes, this is really the biggest enemy. Together with this, we need to reform institutions, laws and


procedures, but you have to have leadership, the wise leader, and of course get the people to involve towards the vision of the common good. To a certain extent, all of this worked together towards the common good, but this has to be communicated to the rest of the people.

With that, those are the simple principles that we developed from this. Again, I would like to express the team's collective gratitude to Dr. Nonaka and, of course, to our leaders. It has been an incredible privilege to work with you and, I guess, let us continue working together to sustain the gains of the public sector-servant leader.

Domo arigato gozaimashita.

Prof. Masaei Matsunaga (MC)

Thank you, Professor Brillantes, for a very dynamic presentation. We would like to take a 10-minute intermission now. We will recommence at 2:35. Please try to be back in your seats by then. After the break, we will be looking at some specific case studies; there will also be a panel discussion.



Program of the Second Policy Forum on
 Leadership and Management Development in
 Asian Countries

**Leadership and Management Development in Asian
 Countries: Exemplary Cases in Indonesia, Thailand,
 Philippines and Vietnam**

**“THE PUBLIC SERVANT
 SERVANT LEADER”**

Alex B. Brillantes, Jr., PhD
 Summary Notes prepared for the Keynote Presentation for the
 March 26 & 27, 2015, GRIPS, Tokyo, Japan

Sincere gratitude is expressed to Professors Kiyotaka Yokomichi
 and Masaei Matsunaga for their leadership in the conduct of the
 study.

Gratitude is likewise expressed to Ms Lizan Pernate-Calina for her
 assistance and advice in the preparation of this presentation.

1

Purpose of Presentation

- Overview of Research Project
- Key Findings on Factors that Affect the capacity of a country to solve policy issues and observed convergences and divergences
- Significance of contextual factors as well as the localization of reform measures
- Draws from material of case studies from Indonesia, Philippines, Thailand and Vietnam
- All case studies were informed by the frameworks of Professor Ikujiro Nonaka: the Wise Leader and the SECI Model

2

Overview

- **Leadership and Management in the Asian Region**
 - Over the years, there has been a growing desire to identify and design Asian models of development, management, leadership etc. appropriate for Asians based on the Asian experience
 - The framework and model on leadership developed by Professor Ikujiro Nonaka may be understood within this context.
 - The NONAKA Framework focuses on way approaches to creating knowledge leaders: knowledge creation is a key feature of the Nonaka model: *“knowledge creation has been the most important source of international competitiveness by Japanese firms”* (Nonaka and Takeuchi 1995:viii)
 - The project uses the lens provided by the Nonaka framework to examine various leaders in the region
 - Case studies in Indonesia, Philippines, Thailand and Vietnam will set as paradigm of leadership framework in Asian Region

3

Overview

- **Leadership and Administrative Reforms in the Asian Region**
 - Imperatives of leadership in introducing reform measures affect public service delivery, quality of life, and sustainable development
 - Case studies in Asia – Indonesia, Philippines, Thailand and Vietnam manifest leadership as a key factor in development; emphasizing people participation as the core of reforms
 - Leadership matters in sustaining innovations
 - Management is leadership
 - *Prevailing notion on leadership:* Charismatic leadership can transform a bureaucratic organization and the society. Traditionally, bureaucracy has been thought to be transformed only by charismatic leadership.
 - Matsunaga, GRIPS-JICA, 2015

4

Case Studies and Authors

- Agus Pramusinto & Erwan Agus Purwanto, ***Toward Surabaya Cyber City: From GRMS to E-Sapawarga***
- Brillantes, Alex, Jr. and Perante-Calina, Lizan E., ***Antonio Meloto: Empowering the Filipino Poor Toward Sustainable and Innovative Communities***
- Chardchawarn, Supasawad, ***Dr. Sanguan Nitayurumphong and Public Health Care Reform in Thailand***
- Diskul, Pimphan and Rujjiirawongse, Dollaporn, ***Leading People from Subsistence Livelihood to Sustainable Development Through Strong Leadership and Social Entrepreneurship, The Mae Fah Luang Foundation under the Royal Patronage (MFLF),***

5

Case Studies and Authors

- Duc, Huy Ngo, ***Phronetic Leadership: The Case of Ho Chi Minh***
- Gonzales, Eduardo T. and Concepcion-Calugay, Zita, ***Belmonte and Quezon City: Nonaka’s SECI Framework Applied in Local Governance***
- Kokpol, Orathai, ***People-Centric Leadership at Local Level: The Case Study of Yala Municipality***
- Mendoza, Magdalena and Valte, Ching, ***Co-Creating The Census Serbilis: Case Study of the National Statistics Office***
- Prasojo, Eko and Holidin, Defny, ***Leadership and Management Development in Asian Countries, General View of Case Studies in Indonesia***

6

Case Studies and Authors

- Sanusi, Anwar, *Collaborating on City Planning: A Lesson Learned from Mayor Joko Widodo*
- Tanchai, Woothisarn and Bunnag, Kittima, *People-Centric Leadership and Management*
- Tran Thi Thanh, Thuy and Nguyen Thi Thanh, *The House Block-Grant Initiative in Agriculture-Management, A Case of Public Leadership in Vietnam*
- Wasistiono, Sadu, *Institutionalize of Innovations: Case Study Innovations in Jembrana Regency under Regent I. Gede Winasa*

7

Takes off from the frameworks of Professor Ikujiro Nonaka and Applied to Public Servants

THE WISE LEADER

- Wise leaders can judge goodness.
- Wise leaders can grasp the essence
- Wise leaders create shared contexts
- Wise leaders communicate the essence
- Wise leaders exercise political power
- Wise leaders foster practical wisdom in others

The SECI Model

- Socialization
- Externalization
- Combination
- Internalization

8

Will focus on

Leadership and Management in the
PUBLIC SECTOR
The PUBLIC SERVANT
The SERVANT LEADER

THE PUBLIC SERVANT *SERVANT* LEADER

9

The Public Servant *Servant* Leader

In identifying the principles and processes that can bring about a public servant servant leader, we will use the Strategic Narrative / Plot and Script sequence developed by Professor Nonaka.

These include:

- Motivation (Inciting Incident)
- Difficulties (Desperate Situation)
- Climax (From Judgement to Action)
- Resolution (Postscript)

10

Public Servant *Servant* Leadership Principles

MOTIVATION

1. The public servant leader has a Vision for the Common Good of the Community: (Thailand's Mom Rajawongse (*Khun Chai*) and the Mae Fah Luang Foundation; Philippines' Antonio Meloto and *Gawad Kalinga*;

2. The public servant leader has some inherent goodness rooted in integrity, humility, compassion and selflessness (Thailand's Mom Rajawongse (*Khun Chai*) and the Mae Fah Luang Foundation; Philippines' Antonio Meloto and *Gawad Kalinga* ("my power comes from not desiring power"); Indonesia's Jokowi who did not seek nor desire power. Vietnam's Truong Chin;

11

Public Servant *Servant* Leadership Principles

DIFFICULTIES

3. The public servant leader plays multiple (and sometimes conflicting) roles and has to reconcile these roles: as a regulator and enabler; works within rigid rules yet must be flexible; must be transformational yet may be transactional; must be neutral yet must take a stand (Vietnam's Truong Minh; Quezon City's Sonny Belmonte; Thailand's Dr Sanguan Nitayarumphong and Thai Public Health Care; Thailand's Pongsak Yingshoncharoen of Yala Municipality; Indonesia's I. Gede Winasa, Regent of Jembrana.

4. The public servant leader develops and builds partnerships and coalitions (Thailand's Dr Sanguan Nitayarumphong and Thai Public Health Care; Philippines' Mayor Belmonte; Thailand's

12

Public Servant *Servant* Leadership Principles

DIFFICULTIES

5. The public servant leader plays multiple (and sometimes conflicting) roles and has to reconcile these roles: as a regulator and enabler; works within rigid rules yet must be flexible; must be transformational yet may be transactional; must be neutral yet must take a stand (Vietnam's Truong Minh; Quezon City's Sonny Belmonte; Thailand's Dr Sanguan Nitayarumphong and Thai Public Health Care; Thailand's Pongsak Yingshoncharoen of Yala Municipality; Indonesia's I. Gede Winasa, Regent of Jembrana.

6. The public servant leader develops and builds partnerships and coalitions (Thailand's Dr Sanguan Nitayarumphong and Thai Public Health Care; Philippines' Mayor Belmonte; Thailand's Dr Sanguan; Vietnam's Truong Chinh)

13

Public Servant *Servant* Leadership Principles

CLIMAX

7. The public servant leader lives with the people and fosters ownership of reforms among the people (Pongsak Yingchonharoen, Mayor of Yala Municipality; Philippines' Anonio Meloto of Gawad Kalinga; Kim Van Ngoc and Block Grant for the provinces; Vietnam's leadership and followership and "*smartest guy is not in the room*" and "*leaders eat from the bowl where ordinary people eat*"; Indonesia's *Blusukan*; Indonesia's Jokowi "*treated street vendors like human beings.*"

8. The public servant leader mentors younger leaders (Vietnam's Ho Chi Minh; Antonio Meloto of Gawad Kalinga)

14

Public Servant *Servant* Leadership Principles

CLIMAX (cont'd)

9. The public servant leader is a reformer and risk taker. (Indonesia's more than 300 out of 500 outstanding local officials – including the mayor of Jembrana regency - were put in jail for challenging the system; in Philippines, having cases before the ombudsman is considered a badge of honor for many; Vietnam's Ho Chi Minh; Philippines Mayor Belmonte.

15

Public Servant *Servant* Leadership Principles

RESOLUTION

10. The public servant leader engages in continuous reexamination and self examination (Truong Chinh of Vietnam and regular self-reflection;

11. The public servant leader's power may be in his or her special skills ("*technocrat*") and uses technologies in information and communication to address challenges (Africa and Erica of NSO of the Philippines; Indonesia's Ms Tri Rismaharani, Mayor of Surabaya City and e-governance; *E-Sapawarga* (public hearing monitoring by citizens); Philippines' Mayor Sonnu Belmonte and e-governance;

16

Public Servant *Servant* Leadership Principles

RESOLUTION (cont'd)

12. The public servant leader is relentless in his pursuit of changes and reform (Indonesia's Jokowi when he dealt with street vendors; Vietnam's Truong Chinh

13. The public servant leader sustains – and builds upon earlier – gains. (Philippines' Erica building upon gains of Africa in NSO)

14. The public servant leader co-creates knowledge (government and people and business): Indonesia's Vietnam's Kim Ngoc and the house block grant; Thailand's Dr Sanguan when he applied the "*Triangle can move mountains principle*" - thorough knowledge; social movement or support; political support and decision;

17

Panel Discussion 1 - Reform for Efficiency or Innovation?

Prof. Masaei Matsunaga (MC)

Based on the keynote speeches, we will facilitate two panel discussions regarding the development of innovative policies and solving societal issues. First, we have the panel discussion: "Reform for Efficiency or Innovation: Overview of Administrative Reform in Asia." We have three panelists here to review our past achievements: the first is Prof. Eko Prasjo from the University of Indonesia. Up until last year, he was the vice minister in charge of administrative reform. He led a comprehensive and strategic reform program. The second panelist is Dr. Cayetano Paderanga from the Development Academy of the Philippines.

Dr. Paderanga has held the Secretary to the National Economic and Development Authority post twice. He is currently leading the Development Academy of the Philippines to develop their human resources. The third panelist is Ms. Atsuko Kikuchi, President of the Japan Association for Public Human Resources Development. She used to work at the National Personnel Authority. She has extensive experience working in human resource development in the public sector. The three experts will discuss whether past activities and policies have achieved their aims. This panel will be moderated by Prof. Takada from GRIPS. Prof. Takada, you can start.

Prof. Hirofumi Takada

Good afternoon, ladies and gentlemen. My name is Takada. I am a professor at GRIPS, and I will be serving as the moderator for the first panel discussion. Following the inspiring and stimulating presentation by Prof. Nonaka and Dr. Brillantes, we are now moving on to the second part of today's forum with two panel discussions. In the first panel, we invite three panelists from Indonesia, the Philippines, and Japan, as already introduced, who will present the administrative reform efforts that have been carried out in their respective countries during the last 10 or 20 years.

As often noted, many Asian countries have undertaken administrative reforms of one kind or another since the 1990s, mostly by adapting the paradigms of new public management and good governance that are generally regarded as having global value. Admitting that these new paradigms have significantly impacted reforms in Asian countries, we need to continuously ask: should administrative reforms in Asian countries conform to what is assumed to be of global value, or do we have another logic that is more Asian, as Dr. Brillantes summarized in his presentation?

In this first session of the panel discussion, we will probe into administrative reform initiatives through three presentations on what has been successfully achieved so far, what were the factors that defined the success or failure of the initiatives, as well as what remains to be addressed in the future.

Now, I want to explain how I am planning to proceed with this panel discussion. First, we have three presentations from each of the panelists, starting with Dr. Prasjo,

then Dr. Paderanga and Ms. Kikuchi. After that, I will raise one question, which is a common question to all the panelists, followed by comments and questions by each panelist to the other two panelists. After receiving the responses or answers to those comments or questions, I then hope we will have some time to take questions from the floor. This panel discussion will finish at around 4 o'clock, so it will be an 80-minute long panel discussion.

Now, we will start the presentations from the three panelists, starting with Dr. Prasajo. Dr. Prasajo, please begin.

Prof. Eko Prasajo, Head of Research Cluster for Democracy, Decentralization and Governance, Faculty of Social and Political Science, University of Indonesia, Indonesia

Thank you very much Prof. Takada, distinguished professors, distinguished guests, speakers, moderators, ladies and gentlemen, it is my honor again to present, I think this is the third time I am here, to share the experience of Indonesia in doing administrative reforms. Since the topic is very wide and very difficult to explain maybe in 10 minutes, I will give only a general view of administrative reforms in Indonesia. It is a desire and planning to create efficiency or innovation.

[Slide 2-4] This is Indonesia and this is some data and information at glance of Indonesia consisting of 34 ministries, 119 agencies, 34 provinces and more than 500 cities and regencies, consists of 17,000 islands, 251 million people, per capita US \$3499 and I think Indonesia is the third biggest democratic country in the world. Our civil servants are 4,330,000 civil servants.

I will divide my presentation into four sections. The first section will be the problem we are facing in Indonesia. The second is the strategy and approach. The third is the programs of reforms and the fourth is what we are facing as difficulties in doing reforms in national as well as in local government levels.

[Slide 5] This is the portrait of the Indonesian bureaucracy from the organizations, law and regulations, human resource developments, business process in public service and also how to build a mindset and culture set in Indonesian public servants.

[Slide 6] This is the data about Indonesia based on the survey and study of McKinsey Global Institute Indonesia 2012 and the predictions about Indonesia in 2030. From the sixteenth largest economy in the world to the seventh largest economy in the world and so on but our duty is to bridge the conditions to achieve what was predicted by the McKinsey Global Institute in 2030. This is actually the administrative reforms to transform current Indonesia to the future of Indonesia.

[Slide 7] Administrative reform in Indonesia we can divide into three stages; before 2006, 2006, and 2010. Before 2006 is also called reactionary reforms, so no major strategic plan of reforms. Since 2006, we have already structured initiatives to a trial

process of reforms but I think the most important years of administrative reform in Indonesia was in 2010 when the governments enacted the presidential decree of grand design of administrative reform in Indonesia until 2025 and also the 5 years' roadmap of administrative reforms, the so-called more institutionalized reform of bureaucracy in Indonesia.

[Slide 8] We have three levels of administrative reforms. Macro level is by revising and creating new policy and new regulations in national level because Indonesia has unitary states, we need national policy or national regulatory frameworks in doing a reform for provincial and also for a municipality.

The Mezzo level is how we coordinate the macro and the micro levels, so how to bridge between ministries and other ministries and also amongst the agencies in national levels but in the micro levels every ministry, agency, and local government should have their own reforms, at least in the nine areas; reform of mindset and culture set, organization restructuring, re-regulation and deregulation, human resource development, government process reengineering, strengthening internal oversights, strengthening performance accountability and also public service innovations.

Our goals in 2025 is to create what we call creating corruption-free governments, enhancing performance capacity and accountability and also improving quality of public service. We call this destination of public service reform is creating dynamic governance by improving capabilities, by improving culture of developments and also by creating adaptive policies to development.

[Slide 9] The principle of public service reform in Indonesia, so we introduced what we call competing, while collaborating through competitions; so agencies send the proposal of innovations, so innovation that has been implemented at least 1 year to believe you and maybe to be replicated to other agencies. Facilitating innovation and knowledge developments but also we push local governments to bring local innovations and local wisdom because Indonesia is a very big country.

Every region has their own local wisdom, local values. They should take these local values into the policy making process. Also, pushing the co-partnership or co-creations with multi-stakeholders; academicians, NGO, media, businessmen and so on but also changing of legal basis, laws and regulations, for innovation. We have already enacted some fundamental laws and regulations. For example, law on public service, law on Ombudsman, law on civil service, law on disclosure information and so on.

[Slide 10] We have, in Indonesia, a new leadership style in public service reforms here by creating public value "serve the public". Prof. Takada asked whether Indonesia followed the new public management purely, it is not at that track because we are combining between the philosophy of citizen as customer and citizen as citizen with their rights and obligations to be served as public; so building efficiency in the bureaucracy by cutting some business process of public service and using the technology of information and communications, creating clean governments.

We serve our systems by introducing anti-gratification system, by introducing avoiding conflict of interests in public service and also implementation of performance management from organizational management to the individual management. Going closer to the public, dealing directly with the public, co-creation of blusukan is the new style of leadership in Indonesia. Implementation of IT-based government closer to the media as public communications and also, as I said before, using local wisdom, for example, Tri Hita Karana in Bali.

[Slide 11] Our new policy direction of reform is we have to move from state center to society center developments and from control of authority to develop and facilitate knowledge, so we call knowledge-based bureaucracy and systematic reform is the key of sustainable reforms.

[Slide 12] This is what we are starting to introduce, knowledge based public service innovations in Indonesia, so-called programs of competing while collaboration. Last year, we got 515 proposals of innovations from national and also local governments but now in this year we received more than 940 proposals of innovations. I think yesterday and today, we just reviewed 70 outstanding innovations from agencies. But government agencies learn from each other through workshop, innovation database and also direct visit to agencies.

[Slide 13] What has been done in Indonesia for strengthening innovations in public service? Innovation is taken seriously through strengthening the legal basis; as I explained before, law on regional autonomy and government regulation on public service innovations. National incentive program, one agency one innovation, competition of innovation and awarding. I heard yesterday that from more than 30 proposals we are sending to UNPSA, now it is five among them going to the final stage of awarding process.

Establishment of innovation database called satulayanan.net, lapor.go.id and also SiNovik.menpan.go.id, development of some handbooks on innovations, national forum yearly, annually, national forum to share good practices of innovations, implementation of project in cooperation with foreign development partner to support replication of innovations and also an initiative to establish a network for public service innovations.

[Slide 14-15] What are the challenges of innovation? Regulation matters of innovation, so we need policy framework and regulatory frameworks and also networks and stakeholder matters, so the grand coalitions from the multi-stakeholders.

This is the obstacle of reform in Indonesia; difficulties in convincing leaders to reforms, lack of expertise to reform, know-how to reform, strong sector-egoisms amongst the government agencies, resistance from status-quo bureaucracy, limitation of budget financing reform programs and also reform programs accepted as "elite matters".

[Slide 16] I think the key success factors in doing administrative reforms or public service reforms in Indonesia is leadership and political commitment from the top is very important, led directly by political top decision maker. We need grand coalitions, multi-stakeholder partnerships, trajectory reform is needed but must be doable and also we have to introduce what we call it reform the reformers at least in the level of director general and directors. We need comprehensive roadmap but also gradual implementations and learning and support from partners. Thank you very much. *Arigatou gozaimasu.*

Prof. Hirofumi Takada

Thank you very much, Dr. Prasajo. I am sorry I forgot to explain that I had asked the panelists to conclude their presentations in around 10 minutes though it seems to be very short. Dr. Paderanga, please begin.

**Dr. Cayetano W. Paderanga, Chairman,
Development Academy of the Philippines, the Philippines**

Thank you very much Prof. Takada. [Slide 2] I will talk about three reforms that we have been trying to introduce. One is a revival actually in which the Development Academy and I have been involved. I will talk first about the importance of the public sector management and good leadership. Then, I will talk about the three innovations, the revival of the Career Executive Service Development Program, or as we now call it, the Public Management Development Program. Then, we will talk about the results-based performance monitoring system which includes the performance-based bonus system. Finally, the introduction of public-private partnership which we think will make the public sector more efficient.

[Slide 3-4] I think a lot of people underestimate the impact of the efficiency of public management in the growth process. If we just look back, however, we look at the writings of development economists, including Walt Rostow; we look at the importance of physical and social infrastructure, public sector management would go into the social infrastructure. Without it, it becomes a very important bottleneck for development.

In fact, public sector inefficiency can be debilitating and stagnating if not downright harmful for development. You need both effective planning and decision making and the public sector bureaucracy must be built in order to bring that about. It is also of paramount importance that effective implementation of programs and projects be brought in.

We know this from the lessons of Japan. There was a big debate in the World Bank about whether it was the market or the industrial policy that was responsible for the growth of Japan. If you read the book, called "The Asian Miracle", and you come to the section on what were the important factors that led to Japan's take-off. At the end, they had four main sources of growth or reasons of growth. One, was a very effective bureaucracy. If you also look at the four Asian tigers that grew after the Second

World War, you will see that all of them have very effective bureaucracies: Singapore, South Korea, Taiwan, and Hong Kong.

[Slide 5] In fact, I can give you a case study of how the Philippines had a slowdown of government spending in 2011. We were improving our approval and procurement process but as we did this, this led to our overall spending slow down. The growth rate of the economy actually came down from 6.4 to 3.9. We looked at it and we said we were not spending fast enough. So every now and then the Philippine President Aquino would actually call in his cabinet and everybody would be looking around because he would be asking us why we were not spending enough.

When we looked at it, we found out that none of the agencies, including the Department of Budget, which was led by Secretary Abad and NEDA, both of which are thought to be among the more advanced agencies, knew how to do financial programming. This actually told us that there was a need to try to empower and make the public sector staff more efficient. We had forgotten that the financial system is a very good monitoring tool. You can look at your operations and the spending. You can see when the operation starts to slow down.

We tried to bring in the career executive service back. Back in 1990, when Secretary Abad and I joined the Philippine cabinet for the first time - he was the youngest and I was the second youngest, I think, at that time - we noticed that the middle managers up to the undersecretary level were actually calling each other on the phone as they were trying to get things to work together. When we looked more closely, we found out that this was because of the Career Executive Training Program that the government had been undertaking. When we came back again into the cabinet in 2010 - by that time we were among the older members of the cabinet - we noticed that we did not have this happening anymore among the senior management of government.

It turned out, over the last 25 years before, that the government had neglected this very important program. At that time, we had fiscal problems and we were trying to economize on everything. This was one of the programs that actually became neglected. We said we would bring this back and that is why we are now reviving it. It is now called the Public Management Development Program.

My very short description of it is: an MBA for the public sector. We would teach in this course what would be taught in the regular MBA program which means personnel management, financial management, policy analysis based primarily on economic analysis as well as personnel management. We would go into this, plus, the fifth leg which we call, personal efficacy.

[Slide 6] These are the objectives of the program: development of competent leaders, development of mutual cooperation, bringing about - what I think is sometimes an unmentioned effect of these joint programs which you see in military academies and in administrative academies in France for example which is - the spirit of kinship, harmony, and good will among the different agencies.

We also want to enhance the image of public-led leadership, as well as, the introduction of strategic leadership and innovation in the training and monitoring. These are the keys to our leadership program [Keys to Leadership Program, Slide 7]. I think you have in your possession a very long series of slides and I just culled from that and so I will go through it very fast.

We have developed a system to mold this pool made up of high potential government officials through high quality faculty and mentors. Introduction of theory and practice. The classroom education is very much based on what has been experienced by faculty members who have worked in government for a long time, as well as, common value formation.

This [NGCESDP Steering Committee, Slide 9] is just the logo of all the agencies that are very closely involved. You have the objectives of this program [Slide 10] which is now called PMDP. There are two parts of it.

[Slide 11] One is we start choosing the middle managers who have high potential so that they will develop into senior government officials. That program is made up of residential training. Then, they go on a sensing journey where they will go to a place where they will have an example of living with the people. Then they are all required to have a project of innovation back when they return to their agencies. The same thing is also done, essentially, for those who are already in place; even though they have not had the training so we will try to give them that training. (By the way this program is overseen by the vice president there, Ms. Magdalena Mendoza. Please, you might want to stand up and show yourself.) This is for the senior executive class. We have both theory and practice.

[Slide 12-15] This is the curriculum that we have. There are three several learning areas. You can look through these in the handout that we have given. There are several of these. It is only by accident that I am the one on the upper left hand corner, I think. That is purely accidental by the way. But these are all people who have very long histories of research and teaching. More important, most of them, have worked in government for a long time.

These are the number of scholars. This is a testimonial from one of them.

[Slide 16] The other one is something that we call results-based. This is the second introduction that we have. These have developed over a long period of gestation. In 1990, when I got into the cabinet and I was running the Economic Planning Office, they were already trying to see how to put planning and results together. We came up with something known as the synchronized planning, programming, and budgeting system but it took many years to reshape this.

This developed into what NEDA calls its results matrix where they look at the plan and they try to see which of these the agencies will implement and that becomes the target of the agency. DBM, on the other hand, had also taken a look at this and they said they wanted to have the Organizational Performance Indicator Framework (OPIF). The results matrix and OPIF, as we call it, have been fused and it is also now

being used by the president for monitoring agencies. The evaluation there will lead into the performance bonus system.

We are the secretariat of this, the Development Academy. The person running that is the same person in the audience, Vice President Mendoza. The focus here is in the results of public spending. Our plan goes into programs and goes into indicators that are measured and the President monitors them.

There is a report to the President every 6 months, I think. He then looks at that and decides at the end of the year how much bonus each agency should be receiving. There is a bonus and then divided among the staff. The heads of agencies are evaluated separately, the top management, and then the rank and file. For the rank and file, the system has been decided by civil service a long time ago. It is the management bonus that is now overseen by the Office of the President.

[Slide 20-21] This is the plan that we have used and these are the outcomes here on each of this on which this is based. Outcome 2, for example, includes improved public sector performance.

This is the Filipino word saying we want to give service that is felt by Juan and Juana - these are the names for the common person that we have in the Philippines.

This also is the base that we have [Results-Based Performance Management System, Slide 22]. If you look at the top, you will look at the goal and then how the goal is broken up into key results areas and economic and then it is divided into agencies and the final output is given. Each of the agency's head, the cabinet members, sign some contract with the president. Although there is never a signing system but these are all approved at the cabinet level.

[Slide 23-24] They are the guiding principles that we have for the performance based bonus system. By the way, this has already been instituted and I think we will go into our third year of the performance-based bonus. These are all in the administration of President Aquino but are now being included into administrative orders and laws. This is now incorporated in what is known as the GAA [General Appropriations Act], the budget process.

Then, these are the perceptions on that. As usual, it will take some time for people to accept it and part of it is that some of the agencies that used to have very substantial bonuses. There has been a leveling. So, there are some issues of acceptability but over time this will be refined in terms of implementation under rating and ranking.

[Slide 25] These are the key lessons learned: contributed to the better understanding of what agencies do and what are their mandates, push for improvement of qualities of performance indicators, and we have pushed for the compliance of government standards.

The third one that I would like to talk about is that we have discovered that it is useful for both public and private sectors to be together. Again, this is one with old

beginnings. Here, we had actually led ASEAN in setting up the build-operate-and-transfer law in 1991. We have had some successes but many failures and then it was transferred to NEDA in 2010.

We have had to revise it. We have made one key change. We have reinvigorated the staff but we have made one key institutional innovation. We have put up a project management and development fund to facilitate projects and now we bid out public projects. We have since bid out nine large infrastructure projects and coming up this year would be around 10. By the end of this administration, there probably will be around 20 to 30 projects, very key projects that are needed for development.

I think, anyway, that it will be a successful program when the LGUs already know how to use public-private collaboration. What we still need to do is the development of what would be the expert consultants to the local governments. Thank you very much

Prof. Hirofumi Takada

Thank you very much, Dr. Paderanga. Now, we invite Ms. Kikuchi from Japan to deliver her presentation.

Ms. Atsuko Kikuchi, President, Japan Association for Public Human Resources Development, Japan

[Slide 2] This is the outline of the administrative reform. There is a long history behind the reform process as well as diversified themes but I would like to cover the personnel management system that has been in place over the past decades, including the personnel evaluation system. Some administrative reforms took place in Japan in 2000. Actually, in December of that year, the Cabinet adopted the outline of the administrative reform. The public administration is now different from the past and the contents have changed. It was a rather epoch-making event.

Because we had to meet with the challenges of the new generation, we augmented the function of the Cabinet which is perhaps specific to Japan. Also, mobility among the ministry and agency was improved. In addition, the second theme was to utilize private enterprise. The aim was to create a simple and efficient administration. With regard to public information, it should be more transparent. From those perspectives, there was a big change in the public service system. This was the one of the most important themes of the administrative reform.

In December 2001, the Cabinet adopted the outline of the public service reform. The points are listed here: to restructure personnel management based on seniority and age to one based on ability and performance.

Secondly, to develop a framework for the Cabinet and each ministry and agency to manage personnel administration actively, ensuring they are given the necessary responsibility.

Thirdly, to review the recruitment examination system in order to secure high quality human resources.

Fourthly, to ensure a variety of human resources by promoting the exchange of human resources between the public and private sector. Fifthly, to establish fair rules for public employees' re-employment to commercial companies, special public corporations, and public interest corporations.

[Slide 3] I would like to focus on the recruitment examination. Maybe this has some uniqueness to Japan. In Japan, the new recruits are university graduates and we are required to organize a recruitment examination for them. Almost all recruitments take place at the beginning of April irrespective of the private and public sector and we also have a neutral and specialized organization, the National Personnel Authority, for personnel administration and the benefits of public servants.

For those who pass the national public service examinations conducted by the NPA, they will be interviewed by each ministry and agency; a decision will then be made about their recruitment. Thirdly, after they are recruited, they have the chance to be transferred; thus, they can accumulate their experience. They are also be selected as candidates to take on executive level posts. Also, at the time of recruitment, we look for traits in candidates which imply they can assume leadership roles in the future.

The recruitment examination should secure the selection of high quality human resources to deal with an increasingly complicated and a diversified administrative agenda. As graduate law schools were established in April 2004, we had to revise the content of the examination.

We also increased the number of candidates selected to sit for the examination; the number is much higher than the number of people we will actually recruit. It was 1.5 to 2 but we made it 2.5 to 1.5. This is the number of people who passed the exam against the number that would be recruited. Also, the planning and drafting regarding the direction of the recruitment exam is undertaken by the Cabinet. The National Personnel Authority only makes suggestion and conducts these examinations.

[Slide 4] I will now discuss the main perspectives of the reviewing process and the main points of the reform. At that time, the leading candidates had to be developed. There was one type of exam and 20,000 to 30,000 applicants took the test. We recruited about 600 people on an annual basis. During the first stage of the exam, the applicants took a general knowledge test and the special knowledge test which contained about 50 questions. The applicants had to mark the answers on a sheet and we reviewed this through the computer. During the first stage of the exam, we were able to significantly reduce the number of applicants. During the second stage of the exam, candidates had to write an essay in their area of expertise; they also had to write other essays and interviews.

The number of candidates who made it to the second stage of the exam, was four times higher than the number that would actually be recruited. However, in 2006 we made changes and we talked with the administration agencies and National

Personnel Authority to find out what was really needed with regards to content. We focused on the essay writing part of exam so we could see candidates' ability to think and apply their skills. We also introduced computers. We asked them what they think of certain issues and how they would act in certain situations so we could evaluate their experiences. Those are some of the indices that we look at.

For the successful candidates, we made sure that the competent people passed the exam; such was the revision that took place. At that time, there was an evaluation standard that was far more stringent and more systematic; we also standardized the process. Subsequently, we expanded the number of successful candidates by 250%; so, in each administrative agency, we developed interviews and devised a schedule to capture the most competent people as soon as possible.

Also, there was a revision in 2012 as there was a closed career system in Japan. During the exam, it would not make sense for a person to be taken all the way. There has to be personnel management based on competence and performance and so we had to reorganize the way these exams were given.

We also had an exam for graduate school students. In addition, we conducted the exam for people with work experience. Furthermore, we conducted an examination for the liberal arts and we were also improving our competency. We introduced some exams which considered policy issues to make sure that all these exams took place neutrally and fairly.

[Slide 5-6] There was another revision: we further developed personnel management based on merit and performance in the revisions of laws in 2007. As I mentioned before, this will not be affected by seniority of employment or recruitment tests. We came up with these standards and methods to ensure we have fair personnel evaluation and recruitment processes. The Prime Minister, until then, had specified the ability to perform standard duties required for the standard public jobs in the job classification system to make sure that that the person has the aptitude to do that job. These are standards for personnel management we had to make clear for the enactment of the law.

As for the personnel evaluation system, both competency and performance contributes to the overall evaluation of that person's performance. The Job Classification System, or JCS, was revised in 1950. That temporary system had been abolished. We had a payroll system but the Job Classification System in Japan had not been implemented because the strict task-oriented perspective and openness of this system did not fit the culture of Japanese organizations.

In the case of Japan, we help each other and we work as a group. We also regularly hire newly graduates who are then transferred and promoted within the department. Also, in order to maintain the classification system in accordance with the analysis of each job post and by segmentation, we will be giving some difficulties in each of the areas of specialty and there could be a large gap in pay and so for several years this had not been realized.

[Slide 7] Separate from that, the pay system was established in 1957. Also, we established a classification system in terms of the job titles, which ensures that staff are not hindered from being promoted. Based on our performance, we have come up with a fair recruitment system, although it is a provisional system. This is a vague system, as a discrepancy exists between the local areas which is still based on seniority.

[Slide 8] This system is still followed; as it is a seniority-based wage system, we have to change it so it is based on work performance. This is reflected in the bonuses and also the wage increases. In 2009, we revised the public personnel management system. The provisional system was revisited and the basic wage system was put in place as part of the personnel evaluation system; it has been in place for 6 years.

And we will appropriately implement this but there are many issues still remaining. For example, we have to clarify organizational targets and also the roles of each employee and to materialize what is expected in each employee. We also need to set targets between the seniors and juniors and support the implementation of these targets. We have to self-reflect and make use of the feedback and advice that we receive.

In terms of our work, these are leveraged and applied to the talent and our development. This will lead to better performance on the part of individual public servants. There has been a change in the workplace environment. We had a closed a type career system but we are using more and more external resources and this is also reflected in the executive positions. Through these procedures we have come up with a mechanism which is more inclined towards staff capabilities and performance.

Thank you very much.

Comments and Questions

Prof. Hirofumi Takada

Thank you very much for your presentation, Ms. Kikuchi. We will now go into the second round for comments and questions for each presentation. I planned to raise a common question and an individual question to each presentation, but I recalculated the time frame just before the beginning of this panel discussion and found that I should limit myself to only one question. I leave the individual question to the panelists. First, I would like to ask a common question to all the presenters. It relates to the title of this panel discussion: "Reforms for Efficiency or Innovation?"

Although the concept of efficiency and innovation are not necessarily contradictory, I think that the organizer of this panel seems to have expressed their intention by putting a question mark at the end of the title to treat these two concepts as

alternative policy orientations of administrative reforms. If my understanding is correct, it can be safely said that the various efforts to advance administrative reform in Asian countries over the past 10 or 20 years have been primarily oriented toward cost efficiency in the public sector; this approach has been influenced by the experiences of Anglophone countries.

Nevertheless, the reforms explained in each presentation have been targeted at strengthening the organizational capacity of government in the formulation of more innovative policies. Then, how were these seemingly conflicting concepts of innovation and efficiency incorporated in the principles for these reform initiatives in each country? That is my question. I understand that it sounds a bit confusing but I believe it really relates to the title of this panel discussion. That is my common question. May I ask Dr. Prasajo to raise questions or comments to the other two panelists?

Prof. Eko Prasajo

Thank you very much. Maybe I would answer or comment to your questions whether administrative reform in ASEAN countries aim at efficiency or innovations? I think innovations is one science, so in innovations we could increase cost efficiency in public services but also in the case of administrative reform in Indonesia our goals and objective is also enhancing public accountability and also preventing the corruptions in the bureaucracy.

It means new public management is not purely implemented in Indonesia in the sense of increasing cost efficiency but also based on local context, the relations between political and bureaucracy, we should prevent the political intervention to the bureaucracy as well as to prevent the corrupt behavior in the bureaucracy and also to increase the public accountability. Innovation is a very general concept. In the innovations using cost efficiency you could implement things at public accountability, you could enhance public participation and also in enhancing or preventing the corruption.

My question to Mr. Paderanga, your explanations on building the professional or merit system in the Philippines civil service system is very important but still in the government we are facing always the political interest and lack of competency of training institutions to enhance the capability of civil servants. How you connect building the professionalisms to the political interest?

Sometimes, in my observations, political interventions can distract the professionalism and merit system that has been built in the training institutions. This is the first question. The second question, my observation is if we are going to implement performance management we need what I call performance cultures as the concerning factor to be successfully implemented as performance cultures. In the Philippines civil service systems, what are the most enabling factors and also the concerning factors in implementing performance management?

To Ms. Kikuchi, I saw and I heard from your explanation that the Japanese government is trying to transform the civil service system from a system that is based

on seniority, tenure, and age to the ability and performance but this is not easy actually. How can you transform this system actually? We are trying too in Indonesia. The second question is the government is now competing with the private sector to recruit the best graduate from the university, to recruit Y generation. How does the Japanese government give the incentive to young generation to apply to the public sector and to be recruited as public servant? This is not easy. Thank you very much.

Prof. Hirofumi Takada

Thank you very much, Dr. Prasojo. Next, Dr. Paderanga, please. This session is to raise questions and comments, and I will facilitate another round for the answers to the questions.

Dr. Cayetano W. Paderanga JR.

Thank you very much. Actually, I will give my question to the audience. I will let the audience ask the question in my place but let me address the issue of efficiency and innovation. I think, efficiency you want from your management and staff as a continuing basis. Following the Japanese concept of *kaizen*, we want to have continuous improvement and that is really part of the training that we would like to give. I always say that in baseball you do not win with homeruns. You win with base hits. It is important to get on base before you can make a run and that is the one that really counts. Although you want to have some homeruns every now and then I think.

But at any rate, if you look at the structure of the training of DAP which, by the way, is only for senior government officials. The training of the rank and file is done in the agencies and, essentially, is overseen by the Civil Service Academy. This is for the tertiary level which we think is crucial for the development process. If you look at the program, we talk about efficiency. And, in fact, one of the basic objectives of that program is to train government executives how to do their jobs, to make them more efficient and also more effective.

There are four pillars that I discussed. It was policy analysis which included economic analysis, personnel management, financial management, and there is a fourth one - that escape my mind for moment but anyway - and the fifth one is what we know as personal efficacy. We actually teach them how to talk, how to meet with the media, among others, how to dress and so on and so forth. But if you also look at it, at the end of the program they will not get their certificate. In the case of the middle managers, they will not get their Master's degree if they do not have a proposed innovation for their agency.

That, we hope, will get them into the track of thinking of how to improve the operations in their agency. There are also other things by the way that we are doing. We have a National Competiveness Council in the Philippines that actually looks at our ranking because we have been quite low in competitiveness and so on.

We are now starting to rank different cities and towns by the business friendliness and business competitiveness rankings. They will soon come out with how they rank and we are hoping that this will tell the voting population how to vote for their mayors

in the next election. Actually I do not think that there is, if you emphasize too much one way or the other it could be harmful but if you have moderation, both of them can actually complement each other.

Now, as far as the issues on political expertise, my own experience is that because I am good at what I do I can always leave my job. I have never held on to any job. There are three other jobs waiting if you are good enough. If we, therefore, empower the public servant then he would be less subject to political interests.

Very clearly you need to learn with the elephants, how to dance with the elephants; otherwise, you will get trampled on but at the same time if you have your own expertise and this is what we do. I always tell our students that if people will try to pirate them that means I have been successful but I hope they will not succumb right away. They just give us the required number of years and they can move on but I think as we produce more, then many of them will stay, in fact, most of them stayed up to now.

The expertise in the training that you were asking for, actually we are trying to build that. Part of that is collaboration that we have. We have a collaboration with GRIPS and with Kyoto University, also with ENA in France. We have a collaboration with Erasmus. These are the places we want to get into this exchange of speakers, exchange of research that we were discussing earlier today. These for the benefit of Yokomichi-sensei. This is one of the things.

Now in terms of performance cultures, also for evaluation which you asked about, one of the problems I think in Asia is that we do not like to judge our neighbor. So it is very difficult. One of the ways by which you can “induce” this: we actually are starting to compare agencies against each other and within agencies, sections against sections. But very clearly this is something that we will have to learn to do.

In our own research, maybe we can see how this can be done because Asians really hate to judge the other person, especially I think the Southeast Asians. On the other hand, we have a lot of enabling factors. Teamwork is easy to attain because the harshness of competition is not there. These are the things that are coming. There are many other issues I think but we would leave that for some other day. Thank you very much.

Prof. Hirofumi Takada

Thank you very much, Dr. Paderanga. Next, Ms. Kikuchi.

Ms. Atsuko Kikuchi

There was a question about the relationship between increasing efficiency and innovation. In terms of managing personnel, we should use the term “achieving efficient operation of public services” as defined by Japanese law. When you speak of reform, major changes are innovation. It is not a goal of the system itself. In terms of human resource management, it is important to be clear about the goals you are aiming for. And, based on those goals, one tries to evaluate the level of achievement

of that goal and increase the efficiency of attaining that goal. By doing this, human resource development and organizational reform in the end is achieved indirectly.

I thank you for your question. Moving from a seniority-based system to a capability-based evaluation system is quite difficult as you have pointed out. That was the question you raised to me. The previous pay scale and promotion system was largely based on seniority. There is no doubt about that.

There have been efforts made to really review that at a fundamental level. Capability evaluation and results evaluation based on clear goals is being attempted now. The results of that evaluation are starting to be reflected in the pay scale. It is not that we have made a 180-degree turn but we have used the personnel evaluation process to have a more evidence-based operation of deciding who gets promoted and who does not.

You also asked us how we provide incentives to encourage young people to become civil servants as opposed to going to the private sector. We have been undertaking questionnaire surveys targeting people sitting the civil servants exam. First, 70% of the people want to work for the public sector. There are three main reasons for this; one is that it is very rewarding to work in the public sector. The second is that it enables you to work for your country. The third is that the pay scale is good. Year after year, we have seen a similar trend in the answers to this questionnaire.

It is not like a private company where if you attain better sales you will receive a bigger bonus; rather, you will have a job that is stable, enables you to do something meaningful for society and the country; also, it enables you to do something really important and develop at a personal level. These are the points that senior people should tell young people to motivate them to join the civil service but even this is rather difficult.

Nowadays, there is talk that the government should not intervene too much with the bureaucracy. After becoming a civil servant, many people often find they are not able to achieve their original goals which they had when they joined the service. We have been delivering mid-career training to civil servants to get them back on track and motivated them.

Prof. Hirofumi Takada

I really appreciate the way that the answer to the question was summarized. Thank you very much. We still have some time for discussion among the panelists, so if you have any additional comments or questions, please let me know.

Dr. Cayetano W. Paderanga JR.

I was just going to say actually that was the question that I wanted to ask, the shift from seniority based or performance based. I do not know. You may have other questions.

Prof. Eko Prasajo

I have questions to Ms. Kikuchi. How do you think what is the most challenging problem you are facing in Japanese civil service so compared maybe to other ASEAN countries. We are moving in Indonesia, for example, from closed career system to open career system, so giving the opportunity to private sector to apply the higher positions in bureaucracy, for example. With the decision from the president, the Director General of mining, taxation, and so on can be opened to the private sector. We are moving from very basis; seniority and tenure age to the performance based and competence based by giving the opportunity to the professionals from private sectors. Thank you.

Ms. Atsuko Kikuchi

Mr. Paderanga asked me about the challenges in switching from a seniority-based system to a performance-based personnel system. In terms of the general structure, we have been making quite a strong effort to make that shift. On the other hand, it is really not possible to apply that too much with respect to the differences in bonuses.

If there is a huge difference, it is not possible under the current system to really differentiate in a major way in terms of promotions being based on performance. However, up until recently, people who were in the same batch would rise little by little while others would not. But now, the program is changing so that people who are not capable of senior management roles are no longer considered as candidates for those types of positions.

Prof. Prasajo, you asked about switching from a closed career system to an open career system. This is a topic that has been discussed quite a bit in Japan. Under the current closed career system, there are some downsides. Once someone becomes an official, even people who are not very capable end up in leadership positions, at least in name. More competition is required and stricter evaluation processes should be in place in order to decide who receives a promotion.

Also, there are some areas where it is not possible to internally develop the skills of staff. For instance, when the financial service agency was established, there was a need to hire financial and legal experts. An open type of hiring system was established at this agency. Now there are more and more cases of people from the private sector taking very high government posts but generally those tend to be term based, for instance, for 2 or 3 years after which those people will often return to the private sector.

Prof. Hirofumi Takada

As far as I know, the difference between the highest and lowest bonuses is rather small in Japan compared to that of the Philippines, where the difference is seven times larger: 35,000 Pesos compared to 5,000 Pesos. Now, we still have 7 or 8 minutes before the closing of this panel discussion. At this point, we would like to welcome questions or comments from the floor. If somebody has questions or comments, please raise your hand. Please feel free to ask questions.

Mr. Goto (Audience)

A very simple question regarding the personnel system, HR system: as there are no limits to the payroll or the bonuses, is it possible to significantly advance or accelerate the reform? I would like to make that proposal. The managers may have some managers' allowance but junior staff, receive a lower salary than senior staff; in that case you can grant some subsidies to junior members. Maybe that will disappear eventually but if there are no limits to the money or incentives that you can provide for high performance then can you accelerate reform quickly, that is my question. That is a hypothetical question. My name is Goto by the way.

Prof. Hirofumi Takada

A good question, so may I have an answer?

Ms. Atsuko Kikuchi

According to the current system, some junior staff work in higher level positions and of course their compensation is higher, so it is quite possible with the current system. However, as you mentioned, perhaps sub-managers receive a higher salary in comparison to more junior managers. There are many ways that we can adjust that.

The way we do so in Japan is sort of following the private sector system. We undertake surveys and the private sector's practice serves as basis for our propositions. The Japanese compensation system is still quite dependent on years of service and seniority; however if we can promote high performers depending on their job position and performance level, it is possible to make even bigger changes to the compensation system.

Prof. Hirofumi Takada

Thank you.

Mr. Goto (Audience)

During the Edo Period, the three most important factors were: class, payroll, and type of occupation. When you are young you can work longer because of the retirement age and so forth. In Japan, when we experienced rapid growth, we had a double income plan that was a policy. The average payment was ¥10,000; 7 years later, it is now ¥150,000 and the payroll level is much higher for new graduates. If you count all the lifelong payroll throughout the year then it is higher, the amount is rather large. So, over the past 15 years, some people argue that public servants' payroll has reduced by ¥30 trillion, but maybe you need to take into account the lifelong total payment.

When you have that kind of long-term perspective, you need to look at lifelong payment not just at the new graduates' payroll for the first year. You need to review the payroll system during the Edo Period or offer some benefits and allowances and that may provide a better incentive to motivate people. Would that be possible, I wonder? Especially if there is no limit to the incentives you can provide. Sorry, perhaps I am just confusing you, you do not have to answer to my question.

Prof. Hirofumi Takada

Is it just a comment? Okay, thank you very much. Are there any questions? Please.

Mr. Inoue (Audience)

Thank you very much. My name is Ken Inoue. They were quite interesting presentations. My question is about corruption issues. I would like to know about the innovative and successful measures you have adopted in your countries to tackle corruption. Could you describe the innovative policy measures your countries adopt to tackle corruption? Thank you.

Prof. Hirofumi Takada

Thank you very much. Do you want to have an answer from each of the panelists?

Prof. Eko Prasjo

Thank you very much. One of the biggest objectives and goals of our administrative reform is to prevent the corruptions. This is, I think, the most difficult problem we are facing now but it is not easy. I compare 2005 until 2015, so our index perception is slowly increasing because we are focusing on combating corruption not preventing corruption so far. But now 3 years ago, we are trying to making a better selection process of recruitments and also promoting process for higher and highest positions in bureaucracy.

We hope that we can blockade the political intervention as a source of corruptions in the bureaucracy, so by making open and competitive promotions for director general and director level. I think this is what we have done so far but we have also introduced some instruments like reducing conflict of interests in procurement process, increasing the control of gratifications and property of civil servants and also increasing the internal audit control to prevent the corruption in bureaucracy but still corruption is the most and big problem in Indonesia. Thank you.

Dr. Cayetano W. Paderanga JR.

The most important innovation is that now we are starting to put them in jail.

Prof. Eko Prasjo

That is right.

Dr. Cayetano W. Paderanga JR.

If you know, we have removed the Chief Justice of the Supreme Court. We have investigated a few senators and Congressmen and that is continuing. At the same time, there are now new and on this one, I think, leadership is going to be important and that will depend on continuing leadership. The main slogan of this administration coming into office was good governance and anti-corruption and I think it has stayed on that course. There are now many changes.

The budgets of all government agencies are now posted on the web down to details. We are asking all of the local governments to also post their budgets including the

budget of projects so we hope that our people will start to look at these things. As I said in the National Competitiveness Council, the incidents of extortion and bribery are included in that. But these are all surveys. These are all the kinds of things that are but I think the enforcement of the rules is going to be an important one and also the proper choice of the agency heads.

I can tell you that in the agencies where I worked there was no corruption that you could know of primarily because the people there did not think of it. It is also a matter of culture. I am lucky I have been in agencies where there is no corruption so I do not have to look under the table of my staff. The staff, in fact, would be the ones who would report to me. Very clearly when you go into office, they will test you. It will happen in your first or second week of office and your answer to the first test is going to determine the rest of your stay in that office. Some of them will be very powerful people. Fortunately, I worked with Presidents with whom I had no issues.

I will tell you the first time I was in the office within the second week the wife of a powerful politician came to me and she said they had a project and so on and so forth. We had weekly cabinet meetings. The next time I went to the Executive Secretary - it is the little president - I said, his name was 'Mac'. "Secretary Mac", I said, "I want to ask you something." He said, "What is that?" I said, "This person came to me and said..." He stopped me and said, "Let me tell you this. If we need something from you either she - at that time it was President Corazon Aquino - either she will call you or I will call you and nobody else." And nobody called me.

As soon as that happened, people heard about it and there were no more approaches. In election, it becomes hard. They say it is for the party and so on. But they would not insist if you are firm. It is really a matter of leadership. I do not criticize my colleagues because I do not know under what burden they are operating. I just say that I have been quite lucky. But we are putting things in order now. Instituting openness, transparency. These will all help and we hope that this will have a long-term impact on things. Thank you.

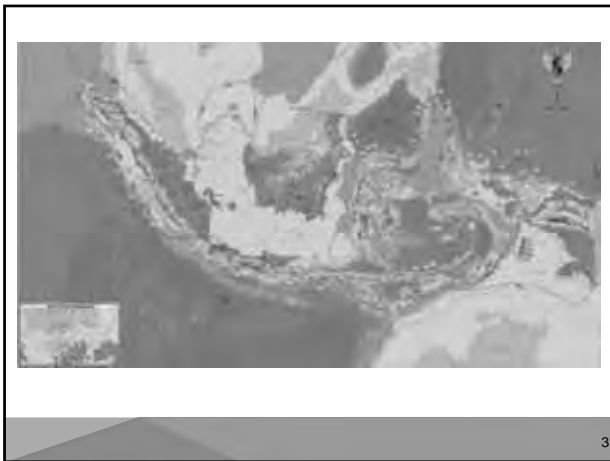
Ms. Atsuko Kikuchi

Regarding Japan, it is said that Japan is, in a way, free of bribery and corruption, however, there are still a few scandals among some leaders. In 2000, the ethics code for public servants was established; entertainment, business trips, and playing golf with stakeholders have been strictly prohibited. We now have strict rules to control these types of issues and that may mean less exchange of opinions with the suppliers and stakeholders. That is another criticism. Of course, we need to reject excessive entertainment.

There are always loopholes in regulations, so it is very important that we have sound regulations that are successfully implemented. Those who work for the government have a sense of purpose and are motivated, therefore it is important to provide them with opportunities so they may achieve their professional goals. Also, regarding the payroll, we cannot make it too high but the money should be adequate to ensure they enjoy quality of life. It is important to have a fair and appropriate payroll system.

Prof. Hirofumi Takada

Thank you very much for all the panelists. Because of my poor time management it is 7 minutes past the scheduled time, so I would like to close our panel discussion at this point without any conclusion. Fortunately we have another panel after this. I think it is more appropriate to continue our discussion during the next panel session so we have the chance to have a more synthesized discussion. Thank you very much for your cooperation.



INDONESIA AT GLANCE

NATIONAL GOVERNMENTS (34 MINISTRIES, 119 AGENCIES)

LOCAL GOVERNMENTS (34 PROVINCES, 512 CITIES/REGENCIES)

+ 17.000 ISLANDS

+ 241 MILLION PEOPLE

USD 3,499 PER CAPITA (2014)

THE 3RD BIGGEST DEMOCRATIC COUNTRY IN THE WORLD

4,33 MILLION CIVIL SERVICE

4

PORTRAIT OF INDONESIAN CURRENT BUREAUCRACY

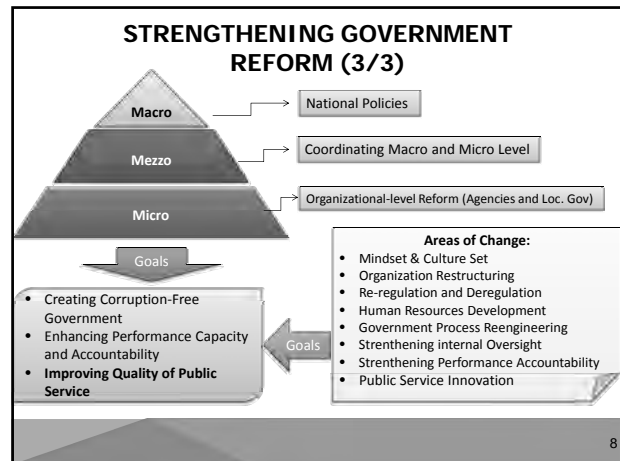
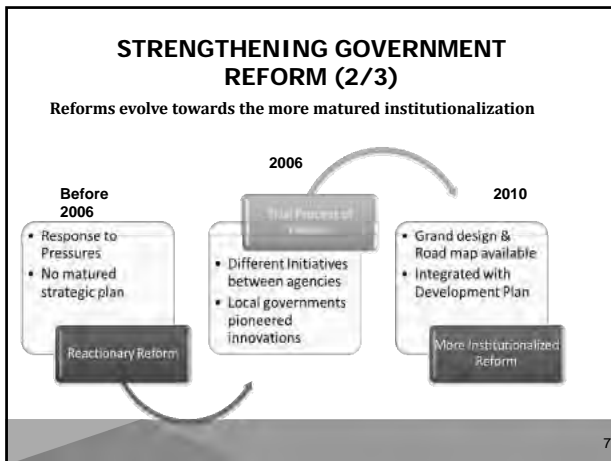
- **Organization**
 - Big structure and many unfit in their functions
- **Law and Regulation**
 - Contradictive and many ambiguous regulations
- **Human Resource**
 - Overstaffed and Understaffed at the same time
 - Problem of integrity
- **Business Process in Public Service**
 - Unclear procedures, cost and time in public service
 - Improper service quality; many uncertainty and loopholes for corruption
- **Mindset and Culture Set**
 - No spirit and culture for producing innovation, creation, and invention

5

MCKINSEY GLOBAL INSTITUTE 2012 ABOUT INDONESIA

Indonesia today and in 2030
16th-largest economy in the world	7th-largest economy in the world
45 million members of the consuming class	135 million members of the consuming class
53% of the population in cities producing 74% of GDP	71% of the population in cities producing 86% of GDP
55 million skilled workers in the Indonesian economy	113 million skilled workers needed
\$0.5 trillion market opportunity in consumer services, agriculture and fisheries, resources, and education	\$1.8 trillion market opportunity in consumer services, agriculture and fisheries, resources, and education

6



- ### PRINCIPLES OF PUBLIC SERVICE REFORM IN INDONESIA
- Competing, while collaborating through competition
 - Facilitating Innovation and Knowledge Development
 - Local government bringt local innovation and local wisdom
 - Co-Partnership with multistakeholders
 - Changing of legal basis (laws and Regulation) for innovation
 - Managing conflict and managing change is important
- 9

- ### NEW LEADERSHIP STYLE IN PUBLIC SERVICE REFORM INDONESIA
- Creating public value “serve the public”
 - Building efficiency of bureaucracy
 - Creating clean government
 - Implementation of Performance Management
 - Closer to the public (co-creation/blusukan)
 - Implementation of IT based government
 - Closer to the media as public communication
 - Using local wisdom (Trihita Karana in Bali)
- 10

- ### NEW POLICY DIRECTION OF REFORM
- From state center to society center development
 - From control of authority to develop and facilitate knowledge
 - Systematic and systemic reform of is the key of sustainable reform
- 11

- ### Knowledge based Public Service Innovation
- ❖ In Indonesia we have been conducting knowledge sharing through competition of innovation (**Competing while collaboration**)
 - ❖ Where more 515 proposal of innovation in public service are shared in 2014, over 900 proposal of innovation are shared in 2015
 - ❖ Government agencies learned each other **through workshop, innovation data base, and direct visit to agencies**
- Government should move from control authority to develop knowledge; from create laws and rules to create values; from create procedures to create innovation**
- 12

WHAT HAS BEEN DONE IN INDONESIA FOR STRENGTHENING INNOVATION IN PUBLIC SERVICE?

- Innovation is taken seriously through **strengthening the legal basis**: Law on Regional Autonomy and Government Regulation on Public Service Innovation
- National incentive program **One Agency One Innovation**
- **Competition of Innovation and Awarding** (at levels: local, national and international UNPSA)
- Establishment of **Innovation Data Base** (Satulayanan.net; Lapor.go.id, SINOVIK)
- Development of some **Handbooks on Innovation**
- **National Forum** to share good practices of Innovation
- Implementation of **Projects in cooperation** with foreign development partner to support replication of Innovation
- Initiatives to establish a **Network for Public Service Innovation**

13

CHALLENGES OF INNOVATION

Regulation Matters of Innovation

- How to tap knowledge and experience created in government agencies in past few years to foster knowledge sharing
- There are some rigid government regulation that hinder flexibility innovation from below/local government
- Regulations that provide incentive, sanctions and procedure are still new and partly implemented in early stages: Need time and nurturing to work well
- Need Overall strategy on how innovative thinking and innovation can be produced effectively and benefit to the citizen

Networks and Stakeholder Matters

- Importance of a real two ways citizen engagement is increasingly acknowledge but still need time to work well
- Need for more analysis of what drives of innovation and replication
- Need for improved capacity development of civil servant
- Building of network and sub-national Knowledge Hubs

14

OBSTACLES OF REFORM IN INDONESIA

- Difficulties in convincing leaders to reform
- Lack of expertise to reform (know how to reform)
- Strong sectors-egoism amongst government agencies
- Resistance from status-quo bureaucracy
- Limitation of budget financing reform programs
- Reform Programs accepted as "elites matters"

15

KEY SUCCES FACTORS

- Leadership and political commitment from the TOP
- Lead by political Top Decision Maker
- Grand Coalition (Multistakeholders partnership)
- Trajectory reforms must doable
- Reform the reformers (critical mass reformers)
- Comprehensive Roadmap, gradual implementation
- Larning and Support from partners

16

Arigatou Gozaimas

Thank you

Terima kasih

17

**Developing Strategic Leadership
in Philippine Bureaucracy**

IDEA REPORT

Cayetano W. Paderanga, Jr., PhD

-Chairman, Board of Trustees,
Development Academy of the Philippines
(DAP)

1

Presentation Outline

- Importance of public sector management and good leadership
- Career executive service
- Results-based performance monitoring
- The PPP phenomenon

2

**Importance of public sector
management and good
leadership**

3

**Importance of public sector management
efficiency**

- Public sector:
 - Critical ingredient in economic growth
 - Rostovian stages of growth – physical & social infrastructure
 - Important bottleneck in development
 - Public sector inefficiency can be debilitating/stagnating
 - Effective planning & decision making
 - Paramount importance of effective implementation
 - Lessons from
 - Japan and the four tigers: effective bureaucracies
 - ASEAN countries: Singapore and Malaysia

4

**Importance of public sector management
efficiency**

- “Case study”: government spending slowdown, 2011
 - Improvement of approval/procurement process
 - led to spending slowdown
 - Indicated absence of financial programming
 - Cause: inadequate financial programming & monitoring
 - Financial system as monitoring tool – consistency of program/project activity& expenditure
 - Financial controls as operational signals

5

Unifying Objectives

- I. Development of competent leaders committed to citizen well-being and progress
- II. Mutual cooperation among leaders
- III. Spirit of kinship, harmony, goodwill
- IV. Enhance the image of the leadership as imbued with professionalism, integrity, and honesty
- V. Introducing strategic leadership and innovation into training and monitoring

6

Keys to Leadership Program

1. Assemble and a pool of potential leader.
2. Develop a system molding this pool.
 - Faculty and mentors
 - Theory and practice: leadership skills
 - Common Values formation: Integrity, Justice, concern for the poor, etc...
3. Immersion in regional issues for awareness

7

Career Executive Service

8

Public Management Development Program
The National Government's
Career Executive Service Development Program

NGCESDP Steering Committee Implementing Agency

9

OBJECTIVES OF NGCESDP

Shaping Transformative Leaders Strategic Managers

- Develop a keen appreciation of the vital **role government executives** play in the overall **development process**.
- Produce **competent government leaders** committed to the welfare of their constituents and the country's progress.
- Foster a **spirit of kinship**, mutual support and harmony among government leaders working for the common goal of a good life for all.
- **Deepen the bench of successors** to the incumbent government office executives to ensure smooth transition in case of promotions or vacancies.
- **Enhance the image** of the **Philippine government** as an institution imbued with **professionalism, integrity and honesty**.

10

PMDP PROGRAM DESIGN

Middle Managers Class (MMC)		Senior Executives Class (SEC)	
RESIDENTIAL TRAINING	SENSING JOURNEY	RESIDENTIAL TRAINING	SENSING JOURNEY
RE-ENTRY PROJECT		FOREIGN STUDY MISSION	CAPSTONE PAPER
THEORY AND PRACTICE		DISTINGUISHED FACULTY	

11

NGCESDP - PMDP CURRICULUM

Middle Managers Class	Senior Executives Class
Development Perspectives Philippine Governance & Administrative System Dynamics of Social Development	Perspective in Development International Governance and Policy Innovation Dynamics of Social Development
Public Finance & Budgeting Public Policy Analysis Managing High Performing Public Sector Organization Economic Application in the Public Sector Project Development and Management	Innovation and Strategic Management Applied Public Sector Economics Evidenced-Based Policy Making Understanding Public Finance Management
Personal Peak Performance Transformational Leadership Communication, Negotiation & Media Relations	Peak Performance in the Public Sector Effective Presentation Public Relations Executive Negotiations Foreign Relations and International Affairs
LEARNING AREA 1: Governance & Development	LEARNING AREA 2: Strategic Public Management
LEARNING AREA 3: Personal Efficacy & Leadership	

12



REPORT

PMDP ACCOMPLISHMENTS TO DATE
(December 2014)

INDICATORS	201	2013	2014	TOTAL
	2			L
NO. OF SCHOLARS Senior Executives Class	38	25	25	88
NO. OF SCHOLARS Middle Managers Class	40	128	112	280
TOTAL SCHOLARS	78	153	137	368
NO. OF AGENCIES	19	22	20	23
NO. OF RUNS	2	4	4	10

Graduated up to SEC 3 and MMC Batch 5 = 296

Public Management Development Program

Testimonial

From the Scholar

“If I would describe the program in one word, it is this: **EMPOWERING.**”



Commissioner Marilou Mendoza
Tariff Commission
Best Re-Entry Project Awardee
Senior Executives Class Batch 1 Molave

15

REPORT

Results-based Performance Monitoring

16

REPORT

Results-based Management (RBM)

- Long period of gestation & development
 - 1991- Synchronized Planning, Programming & Budgeting System
 - Recent years -
 - NEDA's results matrix; planning to budgeting goal orientation; links plan to operational results
 - DBM's Organizational Performance Indicator Framework; links agency's performance to plans
- RBPMS: Results-based Performance Monitoring System

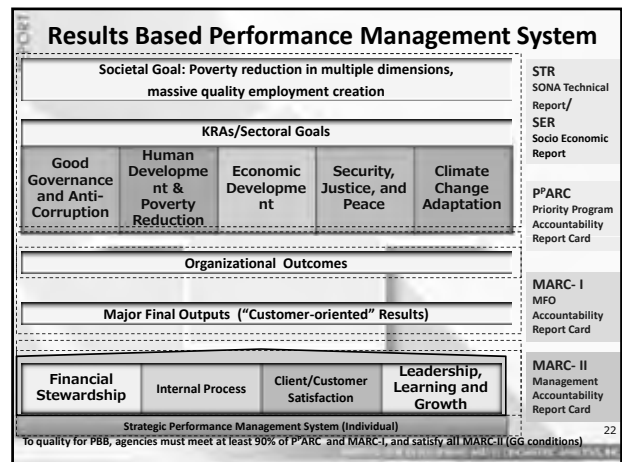
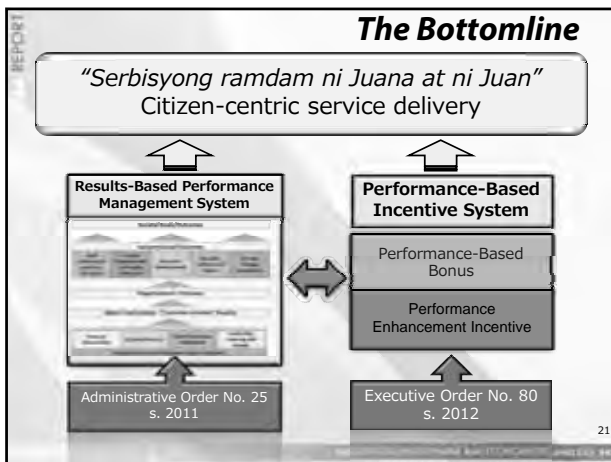
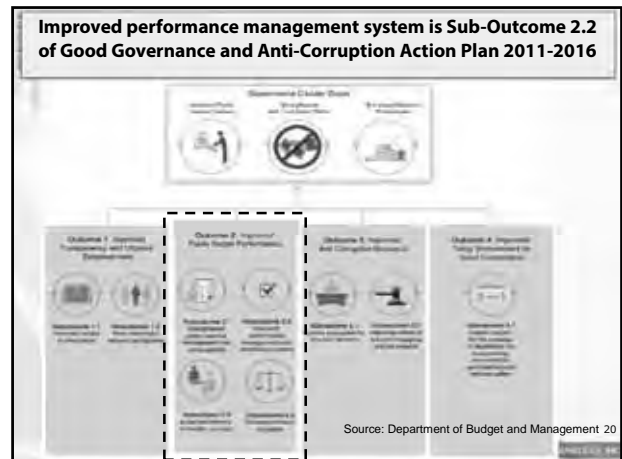
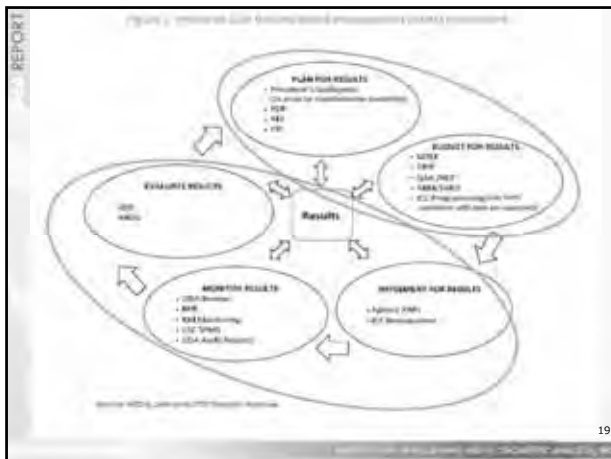
17

REPORT

Results-based Management (RBM)

- Focus: results of public spending
- Focus: performance and the achievement of outputs, outcomes, and impacts
- Link and harmony: planning, programming, budgeting, implementation, monitoring, oversight

18



- ### Guiding Principles in the Design of PBB
1. The system should be simple, credible and easy to implement
 2. Flexibility would be given to heads of agencies to suit PBB to the nature of their operations
 3. RBPMS would serve as the transparency mechanism of PBB
 4. Other incentives/benefits schemes would be gradually transformed into the performance-based incentive system
- Source: AO 25 task Force, 2012.²³

- ### Perceptions on PBB
- Support for the PBB is strong across all departments, bureau and performance ratings
 - Bonus levels are considered to be substantial components of pay
 - Staff report positive motives as reasons for the PBB
 - Staff report positive perceptions of management practices: improved teamwork, target setting, and fostering trust
 - However, PBB still needs refinement in terms of implementing the rating and ranking.
- Source: World Bank, 2013.²⁴

Key Gains & Lessons Learned

- RBPMS/PBIS has contributed to better understanding of agency roles and mandates
- RBPMS/PBIS has pushed improvements in quality of performance indicators
- RBPMS/PBIS has pushed compliance to governance standards (e.g. Transparency Seal)
- Cookie-cutter does not work: dialogue needed
- Clear and measurable standards, as well as timely and accurate information, needed.

Source: AO 25 Task Force

The PPP initiative

Why PPP

- Public sector provision – “government can’t do it all”
 - Burdensome procedures
 - Nonaligned incentives
- In a nutshell – collaboration of public and private sectors in provision of public services
 - Various forms: BOT, BTO, BOO, etc.

Why PPP

- Philippine PPP Center
 - History: oldest in ASEAN – set up 1991 under BOT Law
 - Some successes; some failures. Then stagnation
 - Transfer from Office of President to Dept of Trade & Industry
 - Transfer to NEDA (2010)
- New features
 - Reinvigorated staff
 - Incorporation of outside experts; international consultants panel

Why PPP

- Philippine PPP Center, cont’d –
 - Project Management & Development Fund
 - Facilitated government project devt process
 - Provided access to globally accredited expertise
 - Other changes
 - Changes in bidding rules, e.g. unsolicited proposals
 - Automatic provision of franchise & other permits
- Possible directions
 - Propagation to LGUs
 - Development of “consultants industry(s)”

Thank you

Reform of the Public Employee System in Japan

Focusing on recruitment examinations and the Personnel Evaluation System

March 27th, 2015
Atsuko Kikuchi

1

1 Key issues of the reform of the public employee system

2000.12 The Outline of Administrative Reform was adopted by the Cabinet

2001.12 The Outline of the Public Service Reform was adopted by the Cabinet

1. To restructure personnel management based on seniority and age to one based on ability and performance
2. To develop a framework for the Cabinet and each Ministry and Agency to manage personnel administration actively with responsibility
3. To review the recruitment examination system in order to secure high-quality human resources
4. To ensure the rich variety of human resources by promoting the flow of human resources between public and private sectors
5. To establish the fair rules of public employees' re-employment to commercial companies, special public corporations, and public interest corporations

2

2 Review of recruitment examinations

(1) Main raised issues

- To secure high quality human resources to deal with an increasingly complicated and diversified administrative agenda
- To review the content of examinations, taking into account the establishment of new graduate law schools in April 2004
- To increase the number of examination passers (four times larger than that of those to be recruited), for the ministries and agencies to choose from the candidates based on personal character
- The planning and drafting of the examination system should be done by the Cabinet, while the National Personnel Authority makes suggestions to them and organizes the examinations.

3

(2) Perspective of the reviewing & the main points of revision

Revisions in 2006

- Gave more weight to essay writing to evaluate candidates' ability to think and skills to apply thoughts and information.
- Introduced the idea of competency to the character test, standardizing the questions and the evaluation process.
- Increased the number of examination passers (2.5 times larger than that of those who were recruited). Brought forward the announcement of the result of the examinations.

Revisions in 2012

- Characterized the review of the examination system as the starting point of the development of personnel management based on competency and performance
- Set up the examinations for graduate students (including the legal-work category for those who have passed the bar examination)
- Diversified the examinations (such as the general ability category and the examinations for applicants with experience)
- Improved the method of verifying competency (including the introduction of the policy-challenge investigation test)
- Secured the neutrality and fairness of the examinations

4

3 Further development of personnel management based on merit and performance

(1) Legal revisions in 2007

- I. Principles of personnel management: Personnel management should be implemented not affected by the types of recruit examinations or seniority, but based on the personnel evaluation. Personnel evaluations shall be done fairly with standards and methods designated by separate ordinances.
- II. The Prime minister specifies the abilities to perform standard duties required for standard public jobs in the job rank system; those abilities and aptitudes of employees are the criteria for appointment.
- III. Development of the new personnel evaluation system: The performances of employees are evaluated based both on competency and performance. The result of the evaluations is the basis for personnel management.
- IV. Regulations related to the Job Classification System (JCS) were deleted, and the Act on the Job Classification System for National Public Service Officers (JCSA) was abolished.

5

(2) Reasons for the non-implementation of the Job Classification System

- I. The strict task-oriented perspective and openness of the system did not fit the culture of Japanese organizations and personnel management (goals are often worked on as a group in which members help one another; new graduates are recruited regularly and trained in one single section through transfers and promotions).
- II. The number of staff and the cost needed were too great to maintain the classification system based on the analysis of the tasks of each and every position.
- III. The system did not get support from government ministries and agencies, since they thought that it would not fit well the reality of personnel management because if the job types were segmentalized according to the specialties of the jobs the room for transfers and promotions would become smaller, and thereby smooth personnel assignments would be affected. Employees, too, were worried whether the system would increase the pay gap between high- and low-position officials.

6

(3) Establishment and reform of the public personnel management system in Japan

- I. In 1957, a large categorization of public jobs was introduced by the public sector pay law as a transitional system independent of the implementation of the job classification system. With this categorization, the idea of personnel management based on jobs (public positions) was in effect realized.
- II. Developed the payment system with a good balance of tasks and people and adaptable to the existing personnel management, under the principle of job-based pay. Also constructed the fair system in which tasks such as recruitment and promotions are managed based on the principle of the merit system. These systems were operated as transitional ones.
- III. Restructured the pay system in 2006 to 2010, with changes such as:
 - Reviewed the distribution among regions (reflecting the difference of pays among regions in private sector)
 - Capped the pay rises according to seniority, changing the pay structure to be based on jobs and responsibilities
 - Made job performance more reflected in payment

7

(4) Further issues to deal with

It has been 6 years since the personnel evaluation system was implemented in 2009. Still, there are a number of issues to be dealt with in order to manage the system appropriately thereby making it function more effectively:

- I. To clarify organizational goals and individual roles in the workplaces, substantiating the image of the expected roles of and what is desired in each employee. Based on this, the supervisor and the subordinate will share the same direction and cooperate effectively to achieve the organizational goals.
- II. Personnel development needs to be worked on consciously, through the cycle consisting of appropriate goal-setting, support for the employee's effort, the employee's self-evaluation (reviewing one's own work), and guidance and suggestions.
- III. The new system should be applied to appointment and payment based on trust between concerned parties in each organization, after the above tasks are accomplished.

In order to adjust to the change in the environment surrounding work tasks, some forms of recruitment and employment are on increase, such as the recruitment of people with experience, that of people with special qualifications, personnel exchanges between public and private sectors, and appointments for limited terms. For these forms, it is crucial to announce the job descriptions and the required abilities and aptitudes (such as specific qualifications) as clearly as possible, and to verify the applicants' abilities through a fair procedure.

8

Panel Discussion 2 - A New Paradigm from Asia

Prof. Masaei Matsunaga (MC)

Thank you very much to the participants and the panelists. We will now move to panel discussion 2. The last part is titled: “New Paradigm of Governance Based on Asian Values” which we have not covered very much in the past. Perspectives that are unique to Asian values, unique to Asian countries, is the topic here.

We have three panelists. First, Prof. Tanchai, Secretary General, King Prajadhipok’s Institute in Thailand. He leads this institute which aims to educate public servants and officials. Prof. Tanchai will talk about Thai values and how they impact the public administration system in Thailand.

Then, from the Local Autonomy College of Japan we have Prof. Takeji Takei. Prof. Takei has worked with the Ministry of Internal Affairs and Communications as well as local governments, such as Fukuoka Prefecture. His talk is titled: “New Direction of Government, Management, and Leadership.” He will discuss the cases of Tono City located in Iwate Prefecture in northern Japan.

And now we have a speaker from an international organization Mr. Naoki Ogiwara. He works with the Asian Productivity Organization, APO. This international organization was established by Asian countries. Traditionally, their focus has been on the productivity of the private sector but recently they have expanded their research to encompass the public sector. Today, he will discuss the background of recent changes that have occurred. The moderator for this panel is the director of the JICA Research Institute, Mr. Ichiro Tambo.

Mr. Ichiro Tambo

Since we are behind schedule, we would like to go ahead with Panel Discussion 2. My name is Tambo, and I am the Director of the JICA Research Institute. I would like to moderate this session. I might speak in Japanese and I may speak in English. I think that I am going to cause some inconvenience to the interpreters.

This is the last session for today, and we will be talking about the new paradigm of governance based on Asian values. I think that the English version is easier to understand. What is Asian creation of knowledge and how can we apply it to the public sector? That is what we would like to cover in this session.

MBA and MPA (Master of Public Administration) programs are booming in Asian countries. In these programs, universal methodologies are taught. However, having said that, to what extent is local management applying these methodologies? This is another question that should be addressed.

Let’s look at the problem-solving capabilities of governments. First, you have to look at them in terms of local contexts. Specifically, what are the management values that have been respected? Based on that, you have to come up with a universal methodology. In this session, we would like to reflect upon these issues. We will have

presentations about local perspectives on problem-solving capabilities of public administrations in Thailand Japan, and an international organization.

What Professor Nonaka said earlier about the theory of knowledge creation recalled Joseph Stiglitz, an Economic Nobel Laureate's "learning society" to my mind. Professor Nonaka and Dr. Stiglitz have conducted research from different perspectives, but I think they are saying more or less similar things. I think that Asian countries do have the capability to learn and acquire all of this knowledge. Dr. Stiglitz talks about the advantages of developing Asian states. What is Asian diversified value? Three panelists will present on this topic. Mr. Woothisarn from Thailand will give the first presentation.

**Prof. Woothisarn Tanchai, Secretary General,
King Prajadhipok's Institute, Thailand**

Good evening. I have 10 minutes to make some observation by presentation.

My task was assigned by GRIPS to ask about the values that related to the Asian values from Thai values that bring the leadership to be a good leadership. So, my basic assumption, as I draw from the Thai three cases that their performance, we conclude from the Thai three cases that we draw it is the people-centric leadership. The question has come up: How we can make that leadership to think about the people?

Based on the theory of Prof. Nonaka, I think the most important for the leadership among the six abilities is the first one; ability to make judgment for the goodness. What do you mean for the goodness? I tried to draw not a hardware or the performance or the process of the work but I tried to draw what they think from three cases of Thailand.

I think they have three sets of values that composed to be a good leader. The first is the fundamental value. I might call this social values, social norms that is in the surrounding of the Thai society. The second one is the set of values that when once you be a public sector officer or you are entitled for some position, you have another set of value. The third value or the third set of values is once you be socialized, you be more westernized, you learn more Norton and Kaplan, you learn more MBA, you have another value. That is three cases of value that I draw from the cases.

[Slide 3] The first case is Dr. Sanguan who is a "change for the human wellbeing". His traditional value is the ideologies of the sacrifice, happiness and sympathy to the patient, to the people. This is very fundamental. That is very deeply embedded in the Thai society. As a public sector he has a value of the honest, cooperative, compromised and of course he tried to work with the statesman, even Prime Minister Thaksin. Of course, he is not coming from Thai society but he has a very good education from Netherlands, so he has some ideology about the equity in society. This is for example.

[Slide 4] Mr. Pongsak, who is the mayor of the Yala City, he worked for the “harmony in diversity” and in that sense his traditional value is sympathy for the poverty in the Deep-South Province. The sickness and degenerating in the local, he tried to promote his local. This is very fundamental and also as a mayor he also has another set of value.

Also, Mr. Pongsak graduated from Australia. He is a pharmacist, so he has another value that is very modern to work like he used marketing mechanisms to work, to create the economic development. For Khun Chai, as Prof. Nonaka mentioned already, he is the model that Prof. Nonaka mentioned in the past lecture, so I am not going to repeat it.

[Slide 6] These three cases bring me to the lessons learned from the Thai leaders to the component of the leaders' leadership. I think three key components of the set of value as I mentioned, first is the Thai moral perspective. The second one is the Thai bureaucratic values and the third one is the modernization and westernization perspectives or schemes.

[Slide 7] I am starting with this first, the key component of the leadership or Thai moral perspective. In Thai people, we are mostly Buddhists so we have a strong value on the patronage and hierarchy. In Thailand, we have a vertical relationship but for western they say that we have to have a horizontal relationship. It has come up with the argument of the word 'patronage'.

If you see this picture, this is a picture that happened in even the university, we call *Wai Khru*. *Wai Khru*, it means that when we will start the session, I mean the semester; all the students will go to the hall and pay respect to the professor or teacher, like this. People may say that, oh, this is really very barbarian, you should not do but the most important is to make the professor have the obligation to foster the student and to accept them as a student.

This is patronage but in the sense of western, patronage should be abolished. In that sense, this is a traditional way or the tradition of the benevolence of the subordinate, the royalty or to pay a gratitude for the elder, to the father and mother. This is a very high potential for the social capital in Thailand.

It is really a rare case that if the children leave the father or mother stays alone when they get old, you will be blamed by the society, so it might be a contrast to other countries. Buddhism borrowed from dharma and karma. Karma means the actions or results come from what you did. I think this is what is very common even in the ASEAN countries. If you do not want to get a bad result, you do not do bad things. This is very fundamental.

[Slide 8] The second one is the components on the leadership in the Thai bureaucratic value. The most crucial one is the declining of the role of bureaucracy in Thailand. I think maybe the same is in many countries but why many people in the public sector still remain in the public sector? Last presentation, the public sector or public servant in the government in Japan, they think because I do it for my nation, I

do it for the country, I do it for the society, same as Thailand. Moreover, we are under the constitutional monarchy. The role of monarchy played a very important role in terms of development.

We have the word *Kharajkarn Nai Prabath Somdej Prachaouhua*. The meaning is I am the bureaucrat under the king. I have to work and follow the footprint of the king. This is what Thai public official senses. In that sense, Thai public service still remained in the office. Also, we have 10 royal virtues that I put in the slides in the appendix. We have a principle of government official written by King Vajiravudh Rama VI; it is in 1914, 100 years ago before we changed to constitutional monarchy. At that time, we were still on the absolute monarchy but he wrote on the principle of the government officer.

Thai bureaucracy has been modernized in the same period of Meiji Restoration, King Rama V. The relationship between the government officers and monarchy is like we have a royal ritual in the Thai bureaucracy like a Royal Decoration. If you work you will get the Royal Decoration from the King. Also, if you die and you are the public officer you may get an honor cremation also by the King. This is a relationship that is very unique for the Thainess, for the Thai society.

[Slide 9] The third key is the modernization and westernization perspective. Of course, we have a big tsunami on new public management. We learned a lot about the new public management. We talk about competency but competency is already written in the principle of King Rama VI 100 years ago about the competency.

We are talking about the good governance. Why we have to talk about good governance? Why we have to talk about ethics? Why we have to conduct a code of ethics because we lack of that. We have a profession, technical knowledge, so sometimes the third key component has some self-contradiction with the previous one, like I cited as an example like patronage. From that three set of the values, fundamental value as the fundamental way of thinking of the goodness and also value as you have a position, role or legal title and also what you train?

[Slide 10-11] We bring the three components of the leadership in Thailand in three cases as three lenses. First is the people-centric. Second one is external and internal balance. You should not stand alone and you have to work with the stakeholder, you have to work with others and also you have to think about the sustainable outcome. This is the result or achievement that we found in the three cases.

The bottom line of these keys is how we can have a leadership fundamental? The good value, of course, Thai have some but all were challenged. Challenged by westernized, challenged by MBA school, whatever. New tools, these come from the school. Governance, balance scorecard, budgeting or whatever, these come from school. And the value when you have an authority or influence to the people, how you can behave yourself?

[Slide 12] This is our challenge, the conflict, the leadership dilemma, the new generation, gen Y. Now, we have people who are thinking about how can I work with the young generation? This is our challenge. I think I have run out of time, so the last.

[Slide 13] For the ASEAN Leadership Program, I think first we have to cultivate our leaders to develop the deep sense of purpose, expanding capabilities, and enriching national and Thai values. I was asked by my friend when I present about the Thai values that how you can teach? I think some fundamental values, the goodness cannot be taught. It should come up from inside. You asked about the corruption.

If you have self-control you do not do corruption. In that sense, how we can embed this kind of fundamental value to our leader? Of course, we have to put some immunity from bad values and moral hazards. What is the Asian context for others? Philippines, Indonesia, Vietnam, for Thai, I have an answer but for others I do not know.

How we can set a value-based training. We set a lot of tool-based training not a value-based training. How we can make it? How we can develop people in a process. I mean to assure the sustained outcome, we have to accept the process. People can learn. Development is coming from learning process through action. It is a spiral. It is endless, so how we can make this kind of ASEAN leadership as a spiral movement?

[Slide 15-18] These are 10 royal virtues that I already give to you. This is the principle written in 1914, 101 years. This is the explanation about the 10 values as a principle of the Thai government officer. Thank you for your attention.

Mr. Ichiro Tambo

Woothisarn, thank you very much. We like it very much, thank you. The next speaker is Professor Takei. Professor Takei is going to present "Knowledge Creating Regional Management: A Case Study in Tono City." I hope you can finish in 10 minutes.

**Prof. Takeji Takei, Local Autonomy College,
Ministry of Internal Affairs and Communications, Japan**

Thank you very much. Bear with me for the next 10 minutes. I am interested in regional activities and the activities of the central government in terms of policy making. I have been involved in this area even when terms such as regional management and regional creation did not exist. I have found a very fitting model for today's discussion. I have been following this community for 30-40 years.

[Slide 2-4] This is Tono City. It is in the countryside, so it is surrounded by a countryside landscape. It is 4 hours from Tokyo by Shinkansen and the old rail road line. It is a relatively poor community. *Yamase* is a term that refers to the cold wind in this area, which has negatively impacted their harvests in the past. They tend to be

poor and the annual income is 30% or 40% lower than the national average. That is the characteristics of the area.

[Slide 5] This is the leader of Tono City. Mr. Honda is the mayor. This is the city hall building. It looks very crowded. It is one of the most run down city halls in Japan, I suppose. During the March 11th earthquake, the Tohoku earthquake, the previous city hall collapsed. They now have an office here. It is on the second floor of a small shopping center. The other offices are scattered around the city and this is the shopping center here. Therefore, city hall officials often receive phone calls from their wives after they finish working requesting they bring some items back home. They then return to the city to have some drinks.

[Slide 6] This is the vision of Tono City. I will skip this slide but this is a great vision developed by the municipality and its citizens. They say the evolution of the town's development is the reason the municipality leadership continues to be in power. They have had a plan since 1969. The plan was made by the third mayor, Mr. Kudo, and it continues to be successful until today. The plan was very innovative at that time it was created. Some of the policies drawn at that time are now part of the DNA of this community; this is evident in the local government, among citizens, as well as through civic activities.

[Slide 10] This is one good example. This is Tono Story Fantasy and this is regularly performed in the winter. It has been staged 40 times. The citizens create a script, their folklore or the stories, the motifs for the story, and the performance. All the performers are also citizens of Tono City. Everybody is involved.

One hundred years ago, the Tono story or the legend of Tono was created. This is not very special or unique to this town. Many communities in Japan have many old stories and folklore tales, but what is unique to Tono is the fact they have been passed down from generation to generation. In the past, this was common in Japan: a grandma would sit near the fire telling stories to her grandchildren.

The leadership of municipalities takes advantage or utilizes assets in the local community; the leadership's philosophy is very important. These founding philosophies are shared among stakeholders, policy makers, and citizens. That is very important and it is what I will cover today.

[Slide 13-18] The first case is the specialized zone that has been determined by the Central Government. Tono applied for this and *doburokutokku* was their theme for the application. It is this one here. Egawa-san is the number one application that was approved. It is crude, unprocessed sake. It is very tasty and I like it. This is Egawa-san. Mr. Egawa, the city administration, and the farmers worked together to apply for the system. This was the first approval. This is Prime Minister Junichiro Koizumi. A town meeting was held which included a teleconference with the Prime Minister. At festivals, the citizens enjoyed *doburoku* very much as you can see in this image.

I will not discuss how this has revitalized the city, however, if there is a world heritage system, there should be a Tono City heritage system so local assets can be

protected by everyone. That is now a part of a system by the local ordinance. Grandma's stories were told. They have the *Kataribe* Project and that is a part of Tono story. They have this idea of collaborating with fisheries, forestry, and agriculture.

[Slide 19] This is a second example. Tono, this is also a local asset. Tono is located here: connecting the mountainous area to the coastal area. They wanted to extend the highway to the coastal area. However, the budget was limited by the Central Government. They could not obtain the necessary budget.

The mayor assessed local companies' ability to undertake the construction work. There are many construction companies; he made observations and invited them to attend hearings. Many workers here go to the coastal area or to the mountainous area so he thought Tono could be a center for those people. It is not about their city alone. Exchange with those surrounding areas should be a part of their whole project. That was what they had learned and the issue that triggered this.

A number of people predicted that an earthquake would hit the surrounding areas of Tono prior to the earthquake taking place. The city even organized logistic drills in 2004 and 2005 which included the Self-Defense Force.

With these kinds of activities, they established a logistics center in the event of a disaster. However, they did not have the approval of the central government to establish this kind of center. Their drill exercise in 2004 and 2005 actually helped very much when the earthquake hit in 2011. This is the actual earthquake. People came together to provide logistical support to the affected areas.

Affected cities received support from the central government, from Tokyo, but it took time to arrive. The unaffected communities could help affected communities. This was Tono's model and one that was rolled out nationwide after this. This type of anti-disaster center or ordinance regarding disaster control and mapping against disaster along with a Citizen's Community College, which had an office in Tokyo, was established. Also, Tono received the AIJ prize for construction and architecture.

When you look at all those activities what is evident is the accumulation and built up of experience. Prof. Nonaka mentioned tacit knowledge based on experience and that is really evident here; through this kind of interaction, various choices are possible. People are not really sure. Unless you do it, you do not know whether this is the right choice or not. You do it, you assess it, and you have better knowledge, hence tacit and explicit knowledge. We have networks and big data. This part here is still not covered; therefore, tacit knowledge is very important.

This is true for individual activities. The central government created policies but those policies actually need to be triggered by innovation. In the case of Tono, they were able to make a leap on account of the *doburoku* project. They could make a connection that formed a spiral which was what was required. Case 1 and case 2 from *doburoku* to the other case exemplifies the SECI model. That is what you can

observe in Tono and this can be applied to any community in Asia. Thank you very much.

Mr. Ichiro Tambo

Thank you very much, Professor Takei. The town of Tono is a well-known success story of people doing research on community building. It is a really remarkable case study. Next, we would like to ask Mr. Ogiwara, Director of the Asian Productivity Organization, to give his presentation. Mr. Ogiwara will be talking about innovation and innovative policies from the perspective of an international organization.

**Mr. Naoki Ogiwara, Director, Research and Planning
Department, Asian Productivity Organization**

Thank you very much for the introduction. Before starting, I would like to congratulate GRIPS, JICA, and all the delegates from the five countries for your successful research. I am working as an international public servant for the Asian Productivity Organization. Before that, I worked as the senior knowledge management officer for the World Bank and as a KM consultant for over a decade here in Japan, working closely with Prof. Nonaka, to apply his very complex concept to large Japanese companies. Prof. Nonaka introduced the Fujifilm case today. I was a lead consultant on the project working together with Nonaka.

With such experience, I learned how hard it was to apply Nonaka's concept to organizations, so your work must be even much harder as you have applied that complex theory into the public sector in different countries. Therefore, your work will provide a great basis for future work in this area as we will discuss today.

Before talking about knowledge management in the public sector, allow me to quickly introduce the APO. Basically, the APO is an intergovernmental organization comprising 20 member countries, which aims to help members to become more productive. I am happy to say that all the participating countries for this research are also part of our organization: Japan, the Philippines, Indonesia, Thailand, and Vietnam. They all are very active members of the APO.

[Slide 3] This is APO's vision and mission. Our vision is to be a leading international organization on productivity enhancement in this region. Our mission is to contribute the sustainable socioeconomic development of Asia and the Pacific. How do we do this?

Basically, we focus on the three strategic directions: to strengthen national productivity and organizations' capacity in order to promote the development of small and medium enterprises; to catalyze the innovation-led productivity growth; and to promote green productivity to balance eco-friendliness and economic growth.

Based on these directions, we manage over 100 projects a year, both multi-country and individual-country projects. Multi-country projects typically invite participants from

the 20 member countries to study or to visit best practice companies in order to build the capacity of members to become more productive.

In many cases, participants return to their countries with knowledge of specific tools and techniques, which assists them to become advocates of productivity. We also manage individual-country projects on a request basis. Each country requests support for particular topics, and then we dispatch experts to the site to help them. For instance, we may work with a small-sized company to establish a demonstrating firm so that others can learn new skills.

In that regard, the key asset for us is the Network with 20 National Productivity Organizations. In each member country, there is a National Productivity Organization, our counterpart. They are usually governmental agencies that are responsible for leading productivity enhancement.

I am very happy to say that one key partner, DAP, the Development Academy of the Philippines, is one of the 20 National Productivity Organizations. Whenever we conduct a project in the Philippines, DAP is the counterpart that we work with very closely. This is our key asset to disseminate productivity know-how.

As the director of the Research and Planning Department of the APO, one thing I am keen to explore today is future collaboration opportunities with JICA, GRIPS and any other institutions in Asia because we know our limitations. No one can influence future productivity and socioeconomic growth alone. We would love to see more dynamic collaborations in the future. Whoever has an interest in future collaboration, please approach me after this discussion. I will end our promotion here.

[Slide 7] Let me go back to our business today, which is to share our perspectives on knowledge management and knowledge creation in the context of the Asian public sector. We have managed quite a number of KM related projects over the past 10 years. First, we produced the “KM Facilitators Guide” followed by a case study book, a tools and techniques manual, and the “KM Practical Guide.” The latest publication was “Knowledge Management for the Public Sector.” This is not a coincidence. We believe that applying knowledge management in the public sector is crucial for the region’s future socioeconomic growth.

These are the recent works around the KM in the public sector. In addition to the activities from 2011 to 2013, this year we are undertaking research on KM models in the public sector. We aim to create a hybrid of the Eastern KM approach based upon Nonaka’s concept and the Western KM approach which has very different views about KM. We know that this will be very challenging but we think it is worth doing so that we can further contribute to research and practices on this topic.

[Slide 9] Based on my experience, the need for KM in the public sector can be summarized in three key points. The first one is that formulating policies and resolving societal issues are fundamentally knowledge-centric processes.

Whichever governmental agency you work for, whatever you do in the public organization, I believe you are doing knowledge work. That is why it is time that we apply the knowledge creation concept to the work of public organizations so that they can drive more efficient work and innovation in the sector.

The next thing we can say is that there is enormous potential for knowledge sharing in the public sector among different departments and agencies. By design, public sector organizations have a strong hierarchical orientation. If you could create ways for knowledge sharing beyond departments or agencies, the advantages could be huge. That is why we focus on this.

The third one is related to the previous panel discussion. One of the knowledge management principles is to pursue the *raison d'être* or existing value of an institution, which has a very good fit to the public sector. When people enter a public organization, I believe most of them have good aspirations and dreams to make the country, region, or city a better place to work or live.

Since knowledge management requires going back to this kind of *raison d'être*, I believe that there is a very good fit between the KM and the public sector, and that is why we are discussing this topic here. I think I have a case study to share but since the time is limited, let me stop here and give the microphone back to Mr. Chairman.

Comments and Questions

Mr. Ichiro Tambo

Thank you very much. Since we are out of time, Mr. Ogiwara skipped his case studies, but we have heard from the three panelists. Having listened to their presentations, it seems that there are common elements. First, process was mentioned. Second, all three presenters emphasized values.

Prof. Woothisarn mentioned value training, Prof. Takei talked about shared value, and Prof. Woothisarn communicated a sense of sharing. Additionally, Mr. Ogiwara talked about networking, Prof. Takei talked about local resources, and Prof. Woothisarn stated that social capital is important. I think that networks are social capital. Thus, there were several common concepts among the three presenters.

To each of the panelists, I would like to ask one question each, so please be very brief with your answer since we do not have much time. We also want to have some questions from the audience. Professor Woothisarn, the first question is to you.

Thailand is one of the only countries in Asia that has never been colonized. Your country's government pushed for modernization through an endogenous process, and it developed its own public administration. In your presentation, you kindly described how people-centric leadership and management is one component of a reform agenda. In the international arena, though, participatory development and

deliberative democracy have been discussed as universal concepts, ideas, and best practices. In this sense, in Thailand, you have your own way. What are specific or significant elements of Thai public administration?

Prof. Woothisarn Tanchai

Your question is very broad but you asked me to answer very briefly. I think for the public administration, we adopt a lot of lessons learned and also the school of thought from the western. That is why we try to call upon the balance in the training because in the western style you are equipped with the tools, like administration tools, but the most important is the fundamental way of thinking of the people, especially for public sector.

How we can embed the kind of that goodness of the value in their head and also with heart, not only with head and hand. You need to have a very good heart for the people. In that sense, I mean actually the reform in Thailand is not just focused only on the people-centric but this is a kind of a royal theory that is initiated by the King about a self-sufficient economy. We have to start with the people. The program, the project should be explored inside out, not outside in. This is proved universally that if you want to do something for the people, you have to start with them but of course this is a kind of micro perspective.

But, if you think about the macro level, another agenda on reform is coming, for example, like how we can fill the gap between rich and poor, how we can restructure about the education. This is a kind of reform. In that sense, I think I proposed that for Thai Leadership Program should be balanced between tools and core values and core values have to balance between three set of core values. First is fundamental for the goodness. The second one is a kind of the value that you have to be honest on your duty and the third one is the value that you socialize by the western and by the education. How we can balance these? This is what my proposal is.

Mr. Ichiro Tambo

Professor Woothisarn, thank you very much for your brief response. Next, I would like to ask Prof. Takeji one question. In Tono City, it seems that public officials and citizens share similar feelings. Policy innovations can be created while considering those shared feelings. I think for people who work on community development, a so-called “community illusion” can be developed. How do you enhance that or how did you enhance that?

Prof. Takeji Takeji

I would like to respond to that question. Broadly speaking, I think there are three points and I will be concise. First is the administration organization. We look at the city’s vision and also the theory and image for the future. We have to share that and succeed in that and allow it develop further. Of course, the mayors change over time. It has to succeed on those thoughts as well. Newly elected mayors may not agree with previous policies.

When the mayor changes, civil servants may be in the middle of executing a project or process. This is consistent with Dr. Nonaka's philosophy. You can offer an explanation to the incoming new mayor, but they may believe that that is not the policy of their predecessor but an idea that was developed by the citizens. If the policy is embedded within the citizens, then of course the succeeding mayors cannot go against it; rather they need to implement it. What enables this? The fact that it is a community activity. Civic activities enable this.

We talked about the Tono Story Fantasy but I think you can do it in any country with small villages. Tono City is made up of several small villages. In one day, Tono citizens cleaned all the rivers in the city. They also organize a citizens' sports day in order to strengthen bonds between community members. This helps the community when they get together to work on projects including responding to natural disasters.

The city plays a central role. It has been evaluated by external sources including the Prime Minister, organizations, and the media. Being recognized by an external source becomes an honor for the citizens as well as the local government and this is something we should continue to work on because I am sure that it would generate some remarkable results.

Mr. Ichiro Tambo

Thank you very much for your concise response. Mr. Ogiwara, you worked together with Prof. Nonaka. The theory of knowledge creation management has been conceptualized in Japan and has had a global impact. I do not think it is easy for the public sector to manage this in other Asian countries. In the Philippines and Thailand, the situation is different from Japan. I think it is a struggle for you, but can the public sector really utilize this knowledge creation management?

Mr. Naoki Ogiwara

Thank you for asking a tough question and forcing a very brief answer. Let me try. I believe there are a lot of common values across Asian countries, and that is why it is worth introducing knowledge creation theory into the public sector in Asia.

Knowledge creation theory is based on the same type of values, which is about being good citizens, about societal values, instead of just making more money.

Prof. Nonaka always says that maximizing profit is not a fundamental goal of private companies; this is something that most participants from Asian countries would agree with. However, Western MBA schools teach you that maximizing profits and shareholder value is the ultimate goal of private companies. We do not necessarily fully agree with this statement, correct?

We tend to think that there are more fundamental things that we have to value, so we say that winners should not take all. They say winners should take all. So, basically we have very similar values and that is why I think it is a good challenge to apply KM concepts to the public sector. It is not just theoretical. If you look at the actual

practices across Asia, you can see that many are similar, for instance, the sufficiency economy concept which is quite famous in Thailand.

If you go to Bhutan, there is a famous concept of GNH, or Gross National Happiness which talks about the same thing. In Japan, there is a concept called "*Sampo Yoshi*," by Ohmi merchant which means good businesses should be good for three different stakeholders: customers, sellers, and the society. These kinds of common values are shared across Asian countries, and that is probably why it is worth doing.

Mr. Ichiro Tambo

Thank you very much. Please be prepared, dear panelists. Now, I would like to open the floor. First, I would like to hear objections. Please. I love objections.

Male Participant

Observation, not objection, actually because you talked already about Asian social values. But in the West, they are also discussing corporate social responsibility (CSR), so are we left behind or are we ahead of Western thinking?

Mr. Naoki Ogiwara

Are you asking to me? Sorry, I really do not know if we are ahead or behind, but what I can say is that there is significant discussion about CSR to CSV but still they have a tendency to place maximizing profits as the eventual goals, and CSR and CSV as a means to maximizing profits. Asian approaches say that if you do something good for society, profit follows.

I am not saying all Western organizations think in this way. I am exaggerating a bit but I think the means and ends are regarded differently. That is my quick answer.

Mr. Ichiro Tambo

Thank you. Any other observations or objections? If not...please.

Male Participant

I guess when they said if not, I raised my hand, just to ask a very quick, very brief question.

Mr. Ichiro Tambo

Just a brief question or brief comment.

Male Participant

I have one question for Prof. Woothisarn. When you talk about values, you talk about the role of the bureaucracy and its impact on values, the role of MBA and its impact on values. My question: What is the role of the military and what is its impact on values? Next question, very quick, since I have this, very, very quickly, for Prof. Takei, I am worried when you talk about grandmothers passing on traditions to children.

My question is: is that something that will be eventually replaced? How are you nurturing this so that the grandmothers can nurture their children? The last one, very

quick, to Mr. Ogiwara, I like that book that you mentioned on knowledge value for the public sector. Dr. Paderanga and I were talking about this. My question is: could you tell us about the challenges in migrating private sector projects to the public sector? Thank you very much. Arigato Gozaimasu.

Mr. Ichiro Tambo

In order, please.

Prof. Woothisarn Tanchai

He asked me about the...

Male Participant

The values, right, about how in one sense MBAs have had a greater negative impact of values than bureaucracy; however, today the elephant in the room really is the military.

Prof. Woothisarn Tanchai

I am not saying that the west has the negative impact to the Thai value but some contradiction. You have to balance like the definition of patronage. In Thai, the patronage, like a teacher takes care of the students is also a patronage, it is vertical, not horizontal relation, so it depends on how you make a balance between westernized and the Thai value but for the military you ask me and you make me cannot go back to Thailand.

I think as of my profession as driving the constitution, I do not expect the military will intervene the government but for the Thai society they are very patient and they are very well accepted. When you have something swing, a pendulum, they will accept another way around but their tolerance is not too long. This is a Thai value but for the dictatorship, like military regime, it is like absolute monarchy before, no difference, so Thai does not really think that democracy means election. Democracy means fair distribution, so in that sense sometimes Thai value can accept for a certain time but not too long. I hope this message can go back to my country.

Mr. Ichiro Tambo

Thank you very much.

Prof. Takeji Takei

I will be very quick; I have two points I would like to mention. The Tono, the grandmother's story, and the symbol, we have some facilities to expose this to tourists. As always, we have this place for exposure and also the Emperor and the Empress also came to see the storytelling in those facilities. These storytellers will also be succeeded by the next generation and it is taught to the next generation of grandmothers.

Also, primary school children learn about the stories at school. They have more opportunities to hear these stories from older people. The Tono story was created so that it could be passed down from one generation to the next. It is very important that

the stories are passed down from the older to the younger generation; these are some of the efforts that we are undertaking in Tono City. Over to Mr. Ogiwara.

Mr. Naoki Ogiwara

You have asked about the challenges of applying the private sector centric concept to the public sector. I think mostly it is a common challenge regardless of the sector: how you manage or how you drive a cultural change. I am a firm believer that everything about the knowledge management initiative is about driving organizational change which requires a change of mindset and behavior among staff. As I said, this is a common challenge in both the public and private sectors; however, in the public sector, these challenges may be larger.

At a private firm, when the president or CEO decides to apply the KM concept as a way to manage an organization, it is relatively simple because what the president says is what you have to do. But in many public sector organizations, the situation is not that simple. Some staff tend to think like “I am a permanent staff but Mr. Governor, you will leave in 4 years.” When I supported one local government in applying the KM concept, that attitude was prevailing and created a large barrier. So, definitely cultural change is one key challenge.

The other thing which was discussed in the previous panel by Ms. Kikuchi was that strict rules and regulations can potentially make collaboration or communication with other stakeholders, including those external to the department, difficult. This is a challenge which is probably unique to public organizations.

There is no magical solution but in the initial stages of KM initiatives, what I observed is that instead of trying to create behavioral or mindset change among staff, you should focus on several staff who already have an innovative/entrepreneurial attitude and let them do something creative. Their creation can be used to demonstrate the value or a possible outcome of knowledge creation or knowledge management. This appears to be relatively effective.

Mr. Ichiro Tambo

Thank you very much. Any other burning questions or comments? If there are no objections, I think the time is up. I was asked by a former moderator to summarize the two panel discussions, but I would like to pass that obligation on to Professor Yokomichi. Please join me in applauding the panelists. Thank you so much.

A New Paradigm from Asia

ASSOC. PROF. WOOTHISARN TANCHAI
SECRETARY GENERAL
KING PRAJADHIPOK'S INSTITUTE

From THAI Leader Lessons to..... ASIAN ways


Dr. Sanguan Nitayarumphong "Change for Human well-being"

Public Health Care Reform: Universal Coverage in Public Health

Traditional "Asia/Thai Core Values/Thainess" Background	<ul style="list-style-type: none"> Ideologies about Sacrifice Happiness and Sympathy to Patient 	
Thai Bureaucratic Leadership Background	<ul style="list-style-type: none"> Gentleman / Honest / Cooperative and Compromising with Statesman and Seiner Bureaucrats such as Dr.Prawaes Wasi, Sulak Sivavaraksa, Dr.Vichai Chokevivat, Thaksin Shinawatra etc. 	
Modernization/Westernization Background	<ul style="list-style-type: none"> Ideologies about Equity in Society (October's Student Leader) / All man are equal / Medical Professions and Public Health Knowledge 	


Mr. Pongsak Yingchoncharoen "Harmony in Diversity"

Leader of Yala Municipality in Insurgency

Traditional "Asia/Thai Core Values/Thainess" Background	<ul style="list-style-type: none"> Sympathy about Poverty in Deep-South Provinces / Sickness and Degeneration in Local 	
Thai Bureaucratic Leadership Background	<ul style="list-style-type: none"> Local Authority from Legal and Duty from Traditional Local leadership Ten Royal Virtues is reflexed in his projects. (Love your Local for our countries -) 	
Modernization/Westernization Background	<ul style="list-style-type: none"> Graduation from Australia/ New Visions for Crisis Management (in 3 provinces insurgency)/ Local Development and Local Needs / Gab Reductions in Local by Strategies and Projects Acknowledgment from UN Peace Award 	

Mom Rajawongse Disnadda Diskul "Sustainable Development"

Leader of Mae Fah Luang Foundation Under Royal Patronage

Traditional "Asia/Thai Core Values/Thainess" Background	<ul style="list-style-type: none"> Sympathy about Poverty in North Provinces / Mercy to Subordinate / Mercy from Royal Patronage 	
Thai Bureaucratic Leadership Background	<ul style="list-style-type: none"> Duty as a statesman and royal membership to Thai peoples Ten Royal Virtues is his way because derives from family as a royal members. 	
Modernization/Westernization Background	<ul style="list-style-type: none"> Sustainable Alternative Livelihood Development Knowledge / Economic Forests / Business Knowledge's Acknowledgement from United Nations Office on Drugs and Crime (UNODC) 	

Lessons from Thai Leaders to Key Component Leadership

Lessons	Key Components
Traditional "Asia/Thai Core Values/Thainess" Background	Thai Morals and Perspectives
Thai Bureaucratic Leadership Background	Thai Bureaucratic Values
Modernization /Westernization Background	Modernization and Westernization Perspectives and Schemes

First Key Component Leadership: Thai Morals and Perspectives

Thai Morals are similar to "Asia Values"

1. Patronage and Hierarchy / Senior and Junior
2. Leader as Royalty and Father/Mother
3. Benevolence to Subordinate
4. Generosity / Help Each Other
5. Buddhist / Moral from Dharma and Karma / Personnel Moral
6. Larger Groups and Family are important than Individuals



Second Key Component Leadership: Thai Bureaucratic Values

1. Ten Royal Virtues
2. Principles of the Government Officials Written by King Vajiravudh Rama VI
 - Ability / Perseverance / Astuteness / Sensibility / Faithful to the duty / Sincerity / Understanding people's characteristic / Flexibility / Stability / Loyalty
3. Royal Patronage as a core value and soul of Nation: **Bureaucrats under the Kings**
4. Bureaucratic Polity: **Bureaucrat is Lord**
5. Royal Rituals in Thai Bureaucracy
 - Royal Decoration
 - Honored cremation bestowed by the king



Third Key Component Leadership: Modernization and Westernization Perspectives and Schemes

New Public Management (NPM)

- Client / Efficiency / Accountability / Performance / Flexibility / Decentralization / Outcome

Good Governance


Professionals and Technical Knowledge

Democratization and Liberalization

Right / Liberty / Equity

All man are Equal.

Third Key embeds in Thai Societies and often conflicts with or similar to Thai Morals and Thai Bureaucratic Values.



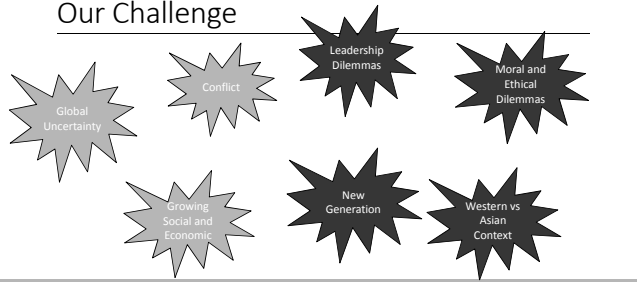
Key Thai Component Leadership and Three Lenses

People Centric	<ul style="list-style-type: none"> • Thai Perspective / Thai Bureaucratic Values: Benevolence to Subordinate / Patronage and Hierarchy / Faithful to the duty / Understanding people's characteristic / Avirodhana • BUT Modernization Perspective ≠ All man are Equal / Equity and Right
External and Internal	<ul style="list-style-type: none"> • Thai Perspective / Thai Bureaucratic Values: Ten Royal Virtues / Principles of the Government Officials such as Sensibility / Compromising • Modernization Perspective: New Public Management (NPM) – Legal / Authority
Sustainable Outcomes	<ul style="list-style-type: none"> • Thai Perspective / Thai Bureaucratic Values: Generosity - Help Each Other / Larger Groups and Family are important than Individuals / Perseverance / Ability / Hardy • Modernization Perspective: Good Governance and NPM such as Worthy /

The Bottom Line- Leadership is the key

Leadership Foundation	<ul style="list-style-type: none"> ❖ Thai Morals and Perspectives ❖ Thai Bureaucratic Values
New Tools	<ul style="list-style-type: none"> ❖ Good Governance / New Public Management ❖ Ethic & Code of Conduct ❖ Leadership Skills / Employee Engagement ❖ Key Characteristics: Innovative / Agile / Connected / Transparent
Authority & Influence	<ul style="list-style-type: none"> ❖ Traditional Authority ❖ Formal Authority: Legal-rational authority ❖ Charismatic Authority ❖ Idealized Influence

Our Challenge



ASIAN Leadership Development

- ❖ Cultivate our leaders: Develop Leadership is an inside out job!!!!
e.g. Deepening sense of purpose, expanding capabilities, and enriching National/Thai Values
- ❖ Immunity from Bad Values and Moral Hazards
- ❖ ASIAN Context
- ❖ Value Based- training
- ❖ Developing people is a process—not an event!!

13




14

Ten Royal Virtues

1. **Dana** which means giving in a beneficial way. Generosity.
2. **Sila** which means maintaining good conduct so as not to breach religious morals, laws and all ethical norms. High Moral character
3. **Pariccaga** which means making selfless sacrifice for the greater good. Sacrifice for the good of people
4. **Ajjava** which means loyalty, truthfulness and honesty. Integrity
5. **Maddava** which means being gentle and open-minded to reasonable advice and not being arrogant. Kindness.
6. **Tapa** which means diligence in consistently performing the royal duties, leading a simple life. Self- controlling
7. **Akkodha** which means not showing anger, not dwelling in hatred or vindictiveness against others, or in other words, being compassionate.
8. **Avihimsa** which means not afflicting harm on others including animals and all living things, adhering to peace and tranquility for all. Non-violence
9. **Khanti** which means being patient and persevering against all emotions. Patience.
10. **Avirodhana**. Respecting public opinion

15

Principles of the Government Officials Written by His Majesty King Vajiravudh Rama VI



16

Principles of the Government Officials Written by His Majesty King Vajiravudh Rama VI

Ability (ความสามารถ)

- Ability is the level of achievement when comparing two individuals of similar backgrounds

Perseverance (ความเพียร)

- The courage against difficulties and all odds, to overcome obstacles through relentless effort

Astuteness (ความไหวพริบ)

- Alertness and ability to use intelligence to make the right decision for the best outcome as well as employ appropriate measures in a timely fashion

Sensibility (ความรู้จักกาลเทศะ)

- Sensibility is the ability to carry out a given task in a timely and appropriate manner

Faithful to the duty (ความซื่อตรงต่อหน้าที่)

- Faithful to the duty means exerting oneself on the given task with all honesty, to the best of one's ability with the aim of reaching successful and best possible outcome

17

Principles of the Government Officials Written by His Majesty King Vajiravudh Rama VI

Sincerity (ความซื่อตรงต่อคนทั่วไป)

- The best way to become well accepted and recognised by the public is to always be honest to everyone.

Understanding people's characteristic (ความรู้จักนิสัยของคน)

Flexibility (ความรู้จักผ่อนผัน)

Stability (ความมีหลักฐาน)

- Permanent residence / Steady family / Appropriate behavior

Loyalty (ความจงรักภักดี)

- To forgo self interest in order to benefit the society as a whole
- Hence genuine loyalty is the love of our nation, which is what Thai people today often proclaim that they do, but so few truly understand the concept.

18

Knowledge Creating Regional Management
 ~The nature of the regional management that can be observed in Machizukuri of Tono City~

March 27, 2014
 Takeji Takei
 Visiting Professor and Former (the 50th) President
 of Local Autonomy College

1



Location and Outline of Tono City, Iwate Prefecture

• Located in central Iwate Prefecture, in the northern part of the Tohoku region of Japan. This regional city is in a mountainous rural area, about 4.5 hours by Shinkansen and feeder lines from Tokyo.

• Located in the middle of the Kitakami mountain range running north-south through Iwate, with the Tono Basin in the middle of the city. Within a 50-km radius from major local cities inland and on the coast, including Morioka, the capital of Iwate.

- **Population: 28,047**
10,000 decreased in 40 years (As of Oct. 1, 2014)
Annual report of Iwate population turnover
- **No. of households: 10,889**
(As of Oct. 1, 2014)
Annual report of Iwate population turnover
- **Area: 825.62 square kilometers**
(81% is forest zone)

<<FY2011>>
 Income per citizen 2,090,000 yen
 88% of Iwate average
 72% of national average

4

Tono City Office, which is an organization to promote the regional management of Tono City

The original city hall was severely damaged by the Great East Japan Earthquake on March 11, 2011. The mayor's office, management planning and other departments temporarily moved to a vacant space in the commercial complex Topia. Within the next three years, the currently dispersed city organizations will be reunited in an extended adjacent area, while continuing to use the Topia facility.

This temporary office is small and does not offer a full line of services, yet the station-front location is well appreciated by citizens and is expected to act as a center for the revitalization of the midtown area.



<Mayor Toshiaki Honda (67)>
 After assuming office in 2002, he oversaw the merger with Miyamori Village in 2005 to continue to serve as mayor of the new Tono.

5

What Is Tono-Style Town Development?

Master plan (Period: FY2006-2015)

Evolving "town development" through total power mobilization

Keep doing what we can at a municipality level, not just depending on national or prefectural governments: that is Tono Style.

● Limited budget → Use wisdom and creativity

● Limited resources → New collaborations with people

● Slow infrastructure improvement → Rich nature and leading eco-town

● Decreasing population → Increase visitors

Basic principle of town development

Creation of Tono Style

Utilize our characteristics and resources → Encourage citizens' initiatives

Citizen collaboration & Public-private cooperation

Make communities better places to live

● Tono's basic principle

Tono – Japan's eternal hometown

● Five rules of Tono Style town development

- Love and coexist with nature
- Make people healthy. Make them shine
- Revitalize creatively
- Nurture hometown culture
- Share ideas

6

Succession and Development of Machizukuri of Tono City

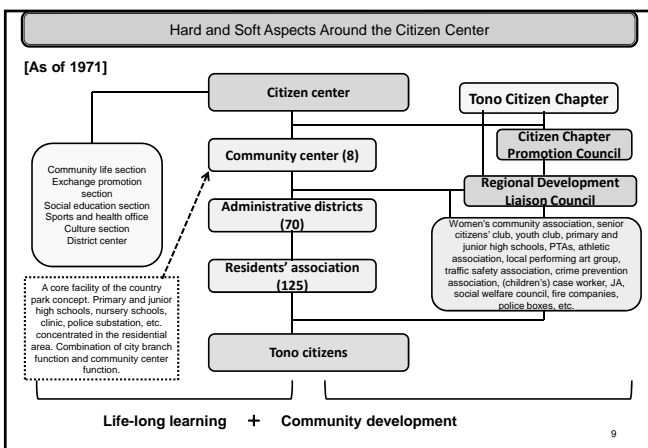
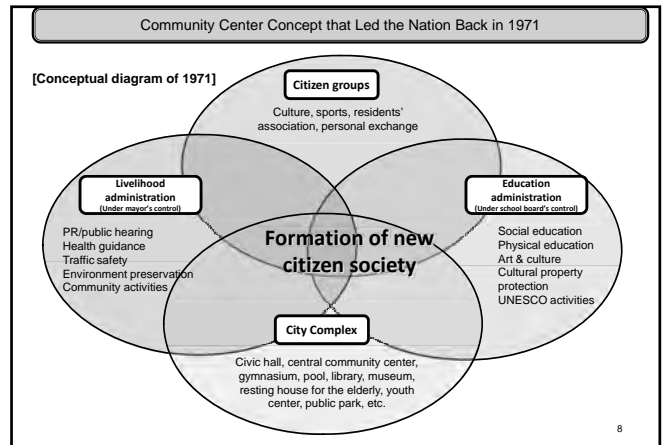
The machizukuri of Tono City can be traced back to the comprehensive Tonopia Plan formulated by the 3rd mayor Senzo Kudo in 1968 and its core schemes. Such a philosophy and efforts were succeeded by the 4th mayor Masami Ohara and the 5th mayor Sho Kikuchi and then by the current mayor Toshiaki Honda. The mayor Honda never denied the policies implemented by successive mayors and succeeded and further developed such policies.

- Honda expressed their efforts for succeeding and further developing the machizukuri by using the phrase "old yet new things are brilliant" and communicated the phrase to the citizens and city workers whenever he had opportunities.
- Honda explained that the machizukuri as a "Tono Style" is the attitude of regional management where the region work together to improve old regional resources rather than leaving them as they are under the collaboration beyond the borders of the municipal government and the citizens.

Explanation about the basic philosophy in the current Comprehensive Plan of Tono City (2006-2015)

- The city is working on regional development by placing importance on nature, history, culture and tradition preserved and nurtured by our ancestors. Particularly, the city has conducted machizukuri ahead of other municipalities by developing the citizen center and district center" as a base for activities to make integrated efforts for lifelong learning and regional development based on the City Center Scheme launched in 1971. On this occasion, the basic collaboration style, where the citizens shall take the initiative to proceed with human development and regional development together with the municipal government, was created (rest is omitted).
- They shall be core facilities for the Citizen Center Scheme/Country Park Scheme.

- The style of collaboration activities between the citizens and the municipal government by making use of regional resources is old yet new permanent assets of which the city should be proud.



"Tono Monogatari Fantasy," which is the civic collaboration continued for 40 years through generations

The comprehensive performing art "Tono Monogatari Fantasy," launched in 1976 and handed down to the present by the citizens, is one of the civic collaborations representing Tono City, which was born in the times of the Tonopia Plan. The performing art based on folk and old tales of Tono City is participated by hundreds of citizens as a producer and a performer and enjoyed by many citizens from all generations, and has been established as a winter tradition of Tono City and marked the 40th anniversary in February 2015.

Old Stories/Folk Tales Handed Down by Ordinary People Even in the Lean Days

"Legends of Tono" published 100 years ago (Home of Japanese folklore)

Kunio Yanagita (1875-1962)
Father of Japanese folklore. Visited Tono three times, in 1909, 1920, and 1926

Kizen Sasaki (1886-1933)
Ethnologist born in Tono. Called Japanese Grimm and compiled many books of folk tales.

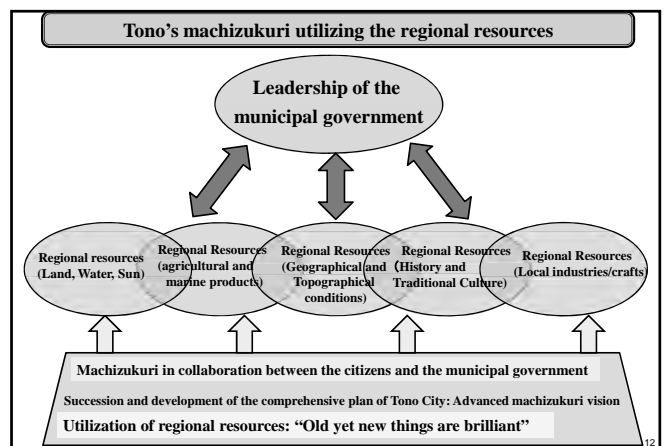
Legends of Tono
Published in June, 1910
119 stories of local legends and small talks

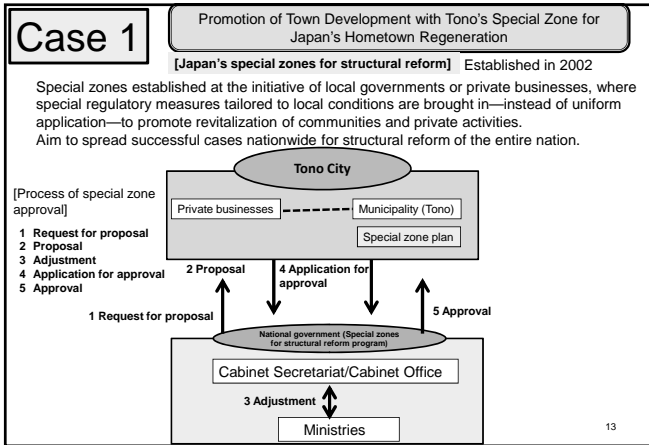
Listening to an old woman storyteller.

Books in connection with Tono

Tono Heritage 22 "Kappabuchi Pool"

Local performing art "Shishi Odori"





Impacts and Outcomes of Special Zone Approval

[Prime Minister Koizumi presenting the certificate] Nov. 28, 2003

○ The two goals of "special zone for Japan's hometown regeneration"

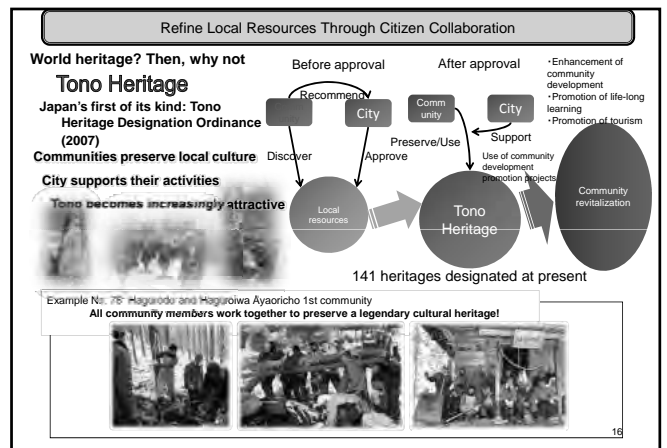
- Promote Tono tourism through the spirit of warmth and hospitality
 - Use local resources and increase exchange with urban communities
- Promote new businesses that give a unique and spirited image
 - Revitalize industry by promoting community-based voluntary actions

Promote exchange
Encourage businesses

[Impacts and outcomes]

- TV, newspapers and other media gave good coverage to the city's bid to become a special zone, including the path to approval.
- Large response after approval. Town meeting held between the Prime Minister's Office and Tono
- Opening of Tono Tourism Academy
- Increase in the number of tourists (overnight guests: 57,000 (2002), 62,000 (2003), 68,000 (2004))
- Revitalization of local activities through NPOs, women's groups, etc.
- Ripple effects in the inter-industry table: JPY220 million (estimated as of February 2005)

15



Project of 1,000 Tono Storytellers

- Promotion of lively town development through storytelling -

Local re-energization project launched in 2009

Storytellers who are guardians of a great wealth of stories are Tono's valuable resources.
⇒ 1,000 storytellers work to recreate the "gaiety of 1,000 horses and 1,000 people" (Story 2 in the Legends of Tono) of 100 years ago in the town

On-going storyteller certification

Recruitment	• Storyteller open university (cable TV) • PR
Schooling	2009 Twice 376 2010 Twice 90 2011 Once 65 2012 Thrice 48 2013 Once 9
Storyteller certification committee	Folklore 287 (of which, child storytellers) 225 History 103 Food 78 Local performing arts 63 Occupation 78 Special supporter 1
Certification ceremony	

Storytellers activities

- Storyteller spot
- Event appearance
- Tour guide
- Storytelling taxi
- Hina doll tour
- Hands-on experience for school trip students

652 persons certified as of 2014

2013 Total 588

17

Higher Added Value of Agriculture, Forestry and Dairy Farming: Promotion of the 6th Industry (Primary+Secondary+Tertiary)

[Tono's promotion policy]
◆ Tono's policy directions ... March, 2014
(Urgent priorities for immediate action)
"Promotion of regional economy, securing of employment, increase in exchange population"

[Environments surrounding Tono]
Although Japan's economy seems to be recovering underpinned by Abenomics, such a sentiment is not shared at the local level

- ◆ Declining population, on-going graying and declining birthrate
 - (1) Shrinking local economy due to declining population
 - (2) Changing structure of industry population
- ◆ Transportation conditions and changing logistics environments
 - (1) Kamashi-Akita Line of Tohoku Transversal Expressway
 - (2) Building a tunnel at Tachimaru Pass on Route 340
- ◆ Technological progress and changing demands
 - (1) Ever-improving production technologies
 - (2) Segmented demands in a mature society

Tono 6th Industry Promotion HQ

Under joint Industrial Development/Agriculture Forestry and Dairy Farming Department cooperation and with the headquarters' newly assigned planning and coordination functions, HQ works on ways to develop products and sales channels by using local resources.

Make a story of unearthing dormant local resources (technique, materials, and tradition) to create businesses and realize growth with wisdom and ingenuity

(Three viewpoints in making a story)

- Discover potential demand
 - Find changing consumer needs and discover new demands
- Create a value-adding chain
 - Take in added value in the course of production, processing, distribution and consumption
- Increase local production power
 - Adopt to environments and attempt to deploy new technologies

(The city's aims)
Those who use wisdom and ingenuity for challenging efforts are rewarded
Various entities develop various businesses
Local charm and power increase accordingly

18

Case 2 Located in the junction between inland and coastal areas in Iwate

50-km radius

To Morioka City 80-90 min.

To Hanamaki City 60-70 min.

To Kitakami City 70-80 min.

To Ichinoseki City 90-100 min.

To Kamaishi City 30-40 min.

To Ofunato City 70-80 min.

Narrow roads and harsh conditions in winter along the pass to Miyako - Tunnel under the Tachimaru Pass is vital.

Background of the logistic support for the affected coastal areas, Tono Model

○ In 2004 and 2005, it was predicted that an off-Miyagi earthquake could occur with a probability of 99% within 30 years, and Tono had conducted a general emergency drill every year.

A study of Tono archives revealed that local people took about 8 to 10 hours to carry relief supplies (including money and medicines) to the affected coastline area, climbing over passes at altitudes of 800 to 1,000 meters when the 1896 Meiji Sanriku Earthquake and Tsunami struck. Tono used to engage in active exchange with coastline areas under the Nanbu Clan during the Edo period.

○ Prior to a planned general emergency drill in September 2007, he asked that medical aid be included as well as transportation to coastal areas in the drill, in addition to usual elements (as determined by the drilling municipality itself).

○ 87 organizations and 8,746 residents of Iwate Prefecture participated in the drill ⇒ The effectiveness of logistics support and Tono's advantages proved.

Iwate Prefecture's 2007 Comprehensive Emergency Drill

○ Study data of the prefectural emergency drill results was reflected in a proposal ⇒ A steering council for a disaster logistics support base of nine municipalities, including coastal areas, was established in January 2009 ⇒ The council made requests or proposals to the national government and about 80 relevant organizations, but **received negative responses in general with no specific actions ensuing, although the needs were generally understood.**

○ Against this backdrop, Mayor Honda met Lt. Gen. Munakata of the JSDF North Eastern Army. After several meetings, the Commissioner understood the mayor's commitment and promised the North Eastern Army would conduct a large-scale earthquake drill in Tono City.

Michinoku Alert 2008, a JSDF earthquake drill on a scale previously unseen anywhere in Japan

An earthquake drill by the JSDF North Eastern Army was conducted in Iwate and Miyagi prefectures on October 31 and November 1, 2008. The scenario was the earthquake's epicenter was off the coast of Miyagi and that a tsunami had washed over the Sanriku coastline. JSDF troops stationed in six Tohoku prefectures, municipalities, police, fire departments and medical institutes in Iwate and Miyagi prefectures, and local communities participated in the drill, with about 18,000 people, 2,300 vehicles, and 43 airplanes.

⇒ The drill proved Tono had a locational advantage and that there was sufficient space in the city's sports park, and the concept of a logistics support center was recognized as a "robust plan to implement" by disaster stakeholders.

Great East Japan Earthquake (M9) Occurs at 14:46 on March 11, 2011

Mayor Honda instructing at a city disaster headquarters meeting on the day of the disaster

Great East Japan Earthquake struck on March 11, 2011.

Mayor Honda immediately checked on the damage in Tono. As city hall had been severely damaged, a disaster HQ was established outside the building. No severe damage was identified elsewhere within the city.

At 1:40 a.m., an Otsuchi man who had made it over the pass to ask for help told about the catastrophic situation along the coastline, and Mayor Honda determined to do whatever Tono could do to help. Designated city employees were dispatched as an advance team with relief supplies in the early morning. Mayor Honda started to prepare a base for accepting JSDF, firefighters, and police operations. He also ordered the opening of the city sports park.

2,050 citizens and city employees made 142,400 rice balls for 29 days following March 11 for dispatch to the affected areas.

JSDF troops, fire stations and police mobilized

Development of the "Tono Model of Horizontal Cooperation" into a National System

○ Tono model became a shared teaching material for magnificent earthquake and tsunami among all municipalities

○ provision of Act on Disaster Control Measures after East Japan Earthquake

Legal framework of large-scale disaster responses

Beyond the scope of a conventional disaster-related legal framework

- Issues of vertical relation and red tape -
- Laws on the premise of affected municipalities asking for support
- No national or prefectural information conveyed to affected municipalities ⇒ No information heighten concerns

Horizontal cooperation among municipalities works

- Support beyond the fixed scope of responsibility and authority -
- Immediate support before the affected municipalities make a request
- Proactive information gathering to determine and implement proper support

Establish a new framework with **responsibility, authority and financing** that supports horizontal cooperation ⇒ Revised Disaster Countermeasure Basic Act (June 2012)

Extralegal responses beyond the prescribed laws and systems...

Improvement of Disaster Prevention Facilities and a Life-connecting Road Network

○ City Disaster Prevention Center

- ◀ Overview ▶ - Completed on March 26, 2012
- Two-story earthquake-absorbing building
- Fire station and emergency center in peacetime
- Base for city disaster HQ in times of disaster
- Adjacent athletic park to be made available for JSDF troops, etc., as a disaster network center
- Activity records at time of Great East Japan Earthquake exhibited and visitor tours accepted.

○ Tachimaru Pass Tunnel

- Accelerate the project (To be completed in 2018)
- Improved access to the pass (Tono Kappa Road)

○ Tono Interchange (To be completed in 2015)

- Expressway access
- Miyamori interchange completed on November 25, 2012
- Emergency road connecting inland and coastal areas
- Free access under the new direct control system

Disaster-resistant Community/Society Development Through Self- and Mutual Help

**April 1, 2014
Tono City Disaster Prevention Basic Ordinance enacted**

Three years after the Great East Japan Earthquake, an ordinance was enacted to take a new look at the experiences and relay the lessons learned to future generations, and establish disaster-resistant communities for the future.

Disaster prevention map produced and distributed to all households


Along with the ordinance, a disaster prevention map, covering landslide and flood hazard areas, evacuation centers, and need-to-know things, was produced and distributed to all households, to promote improvement of regional disaster prevention power through self- and mutual help



Tono Future College – A Bridge for Disaster Recovery and New Interaction


In April 2014, Tono Future College was opened through an arrangement between the city and a major company in the metropolitan area on the site of the closed Tsuchibuchi Junior High School. The idea was developed through an employee dispatch program for support assignment, recovery support activities, and other engagements with the city. The aim is to develop communities, industries, and people. Tsuchibuchi district is the hometown of ethnologist Kizen Sasaki.

- Ethnology research/communication center**
Research data/reference map of Legends of Tono
- Tie-up with universities (education and research)**
Off-campus activities/seminar camp/overseas students training/coastline tourism
- Company research lab/employee training**
Future college/future camp
- 6th industry development/processing and sales of products**
6th industry development/local specialty development/food processing & sale
- Green tourism center**
Drop-by farmhouse/farmhouse B&B/landing-style tourism
- Restaurant/tourist cabin**
Cheap accommodation/urban-style café & restaurant




**Culturally related town development paid off
Won AIJ Prize**

May 29, 2012, Iwate Nippo Newspaper



Recognized for the promotion of folklore and architectural culture centered around the Legends of Tono and landscaping of historical towns and streets



Advancement and development of machizukuri

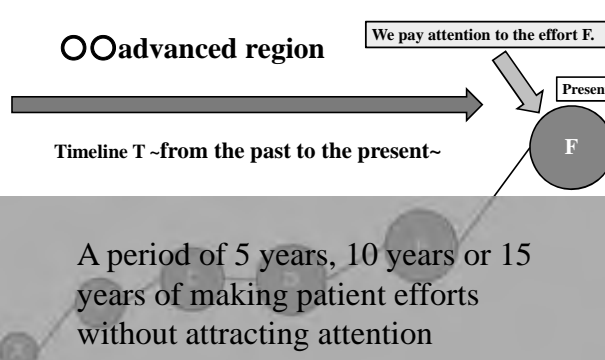
○○advanced region

We pay attention to the effort F.

Present

Timeline T ~from the past to the present~

A period of 5 years, 10 years or 15 years of making patient efforts without attracting attention



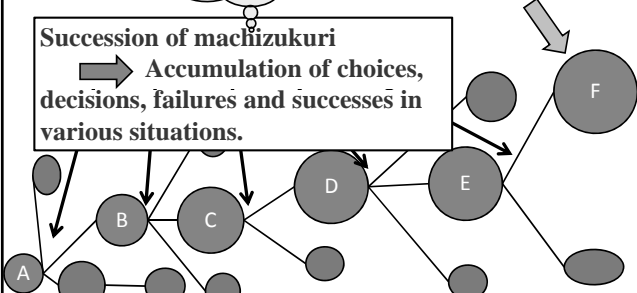
Takeji Takeji

What is machizukuri?

A plan full of innovations are contained here.

Machizukuri is not to assess the achievements gained from F

Succession of machizukuri
→ Accumulation of choices, decisions, failures and successes in various situations.

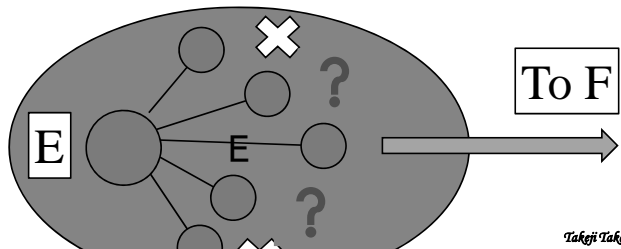


Takeji Takeji

How was policy F created from policy E?

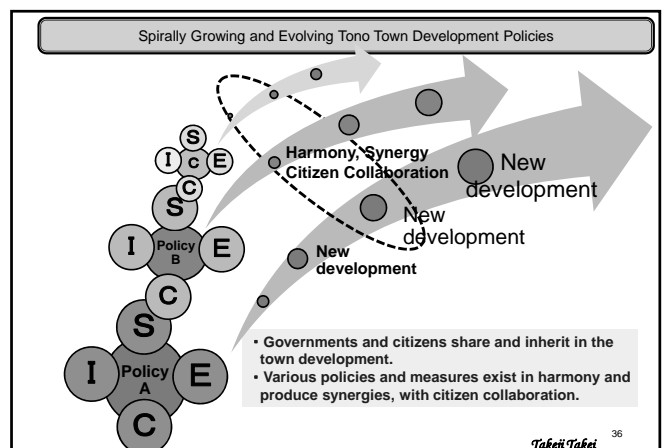
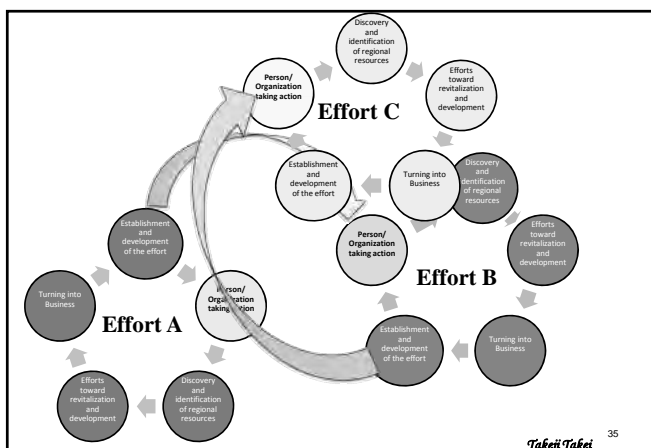
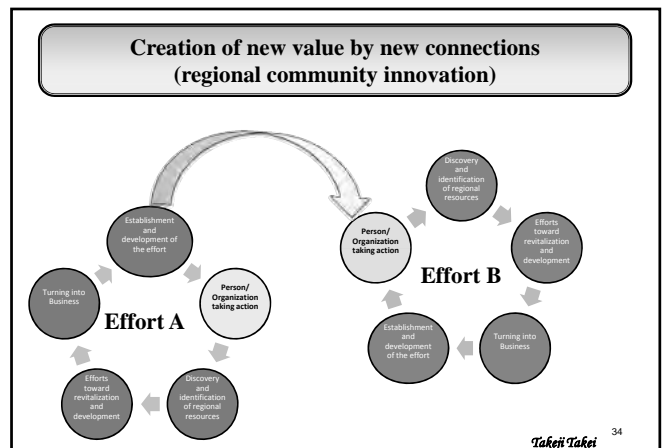
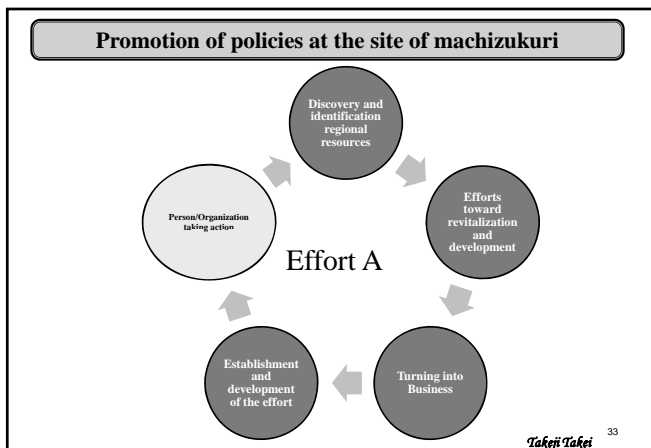
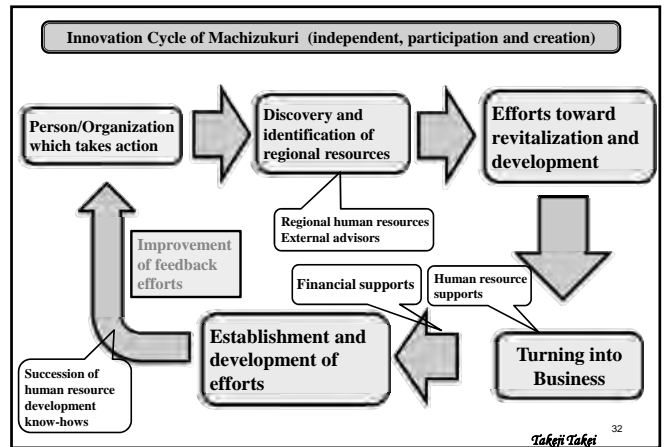
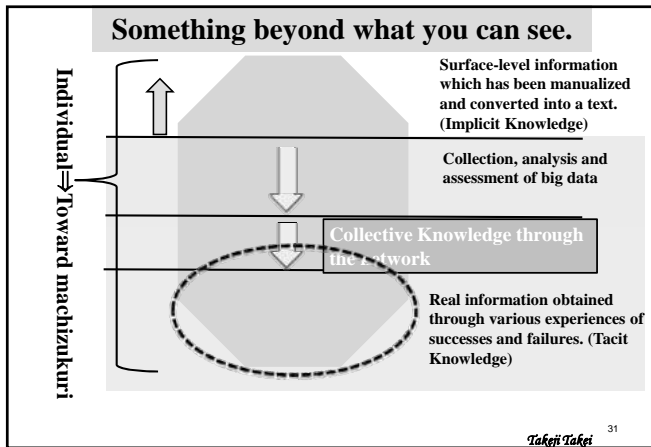
The answer is not prepared in advance.

To F



To make the best efforts to implement decisions and choices made after due consideration... The answer lies there.

Takeji Takeji




Thank you!

Toshiaki Honda, mayor of Tono City; city employees including Fumimasa Kikuchi, head of management planning; Sachio Egawa, and others kindly provided pictures, data, and information used in this study. I greatly appreciate their generous cooperation.

JICA-GRIPS Joint Forum on
“Innovating Policies: A New Paradigm of Governance to Activate the Governments’ Potential”

ASIAN PRODUCTIVITY ORGANIZATION

NAOKI OGIWARA
 Director, Research & Planning Department
 27 March, 2015





Overview of the APO: 組織概要

The APO is a regional intergovernmental organization with a mission to contribute to the sustainable socioeconomic development of Asia and the Pacific through enhancing productivity. The APO is nonpolitical, nonprofit, and nondiscriminatory.

20 Member economies: 加盟国

Bangladesh (1982)	Lao PDR (2002)
Cambodia (2004)	Malaysia (1983)
Republic of China (1961)	Mongolia (1992)
Fiji (1984)	Nepal (1961)
Hong Kong (1963)	Pakistan (1961)
India (1961)	Philippines (1961)
Indonesia (1968)	Singapore (1969)
Islamic Republic of Iran (1965)	Sri Lanka (1966)
Japan (1961)	Thailand (1961)
Republic of Korea (1961)	Vietnam (1996)

Vision and Mission: ビジョンとミッション

Vision


To be the leading international organization on productivity enhancement, enabling APO economies to be more productive and competitive by 2020
 APOは生産性向上において主導的役割を果たす国際機関として、2020年までに加盟国・地域の生産性と競争力をさらに強化させる

Mission


Contribute to the sustainable socioeconomic development of Asia and the Pacific through enhancing productivity
 APOは生産性向上を通してアジア太平洋地域の持続可能な社会経済の発展に貢献する



Strategic Directions: 戦略的重点分野





- 1. 各国生産性本部の強化および中小企業振興・地域発展の促進**
 各国生産性本部の強化を通じ、各国の生産性向上を牽引します
 また、加盟国経済で重要な役割を果たす、中小企業や地域社会の生産性向上を支援します
- 2. イノベーション主導の生産性向上**
 生産性向上はプロセス効率をあげることだけではありません。イノベーションによる製品・サービスの質やパフォーマンス向上による生産性向上を重視します
- 3. 緑の生産性の普及**
 加盟国と共同で、環境技術の普及や、環境配慮型製品やサービスの需要を喚起します。また、農業分野では、持続可能な農業経営の実践を支援します



APO Projects: プロジェクト概要

Multicountry Projects 多国間プロジェクト	Individual-country Projects 個別国プロジェクト
<ul style="list-style-type: none"> Training courses Research Conferences Observational Study Missions Workshops e-Learning Courses 	<ul style="list-style-type: none"> Observational Study Missions Technical Expert Services Development of Demonstration Companies Bilateral Cooperation Institutional Strengthening

APO's Key Assets: Network with National Productivity Organizations
APOの強み: 各国生産性本部とのネットワーク




APO KM Publications 2009-2013
知識経営関連書籍

7

APO Projects on KM in Public Sector
知識経営関連プロジェクト

Projects	Year	Venue
Research on Knowledge Management for Public-sector Productivity	2011-12	Korea
e-Learning Course on Knowledge Management for Public-sector Organizations	2013	14 countries
Training Course on Knowledge Management and Innovation for Public Sector	2013	Sri Lanka
Research on Knowledge Management Models in the Public Sector	2015	Malaysia

8

Why KM in the Public Sector?
なぜ公的機関で知識創造経営が大事なのか

- Formulating policies and resolving societal issues are fundamentally knowledge-centric processes
 政策形成と社会課題解決は本質的に知識創造的である
- There is enormous potential for knowledge sharing among different departments/agencies in the public sector
 部門、省庁を越えた知識共有による成果向上や業務効率化の可能性が非常に大きい
- The KM principles that pursue raison d'être of organizations well fit the public sector ("for public good")
 組織の存在価値に立ち戻る知識創造経営の考え方は、公的機関と相性が良い

9

Case Study: A*STAR (Agency for Science, Technology, and Research, Singapore)
シンガポール科学技術研究庁

Mission: Fostering world-class scientific research and talent for a vibrant knowledge-based Singapore

Vision: A prosperous and vibrant Singapore built upon a knowledge-based economy

- Biopolice** for bio-tech industry and **Fusionopolice** for ICT and engineering, both serving as "Ba" for R&D innovation
- Experiment facilities, IP management, commercialization support to tenant institutions

Source: ASTAR Website (<http://www.a-star.edu.sg/>)

10

Thank you

Contact us:
 APO Secretariat
 Leaf Square Hongo Building, 2F
 1-24-1 Hongo, Bunkyo-ku, Tokyo 113-0033, Japan

Phone (Main): 81-3-3830-0411 Fax (Main): 81-3-5840-5322
 e-Mail: apo@apo-tokyo.org
 www.apo-tokyo.org

11

Wrap Up

Prof. Kiyotaka YOKOMI CHI, Vice President, GRIPS

You have patiently participated in this long seminar. I appreciate your participation. I did not expect to be asked to give the final words but since I am responsible for this overall project allow me to give some brief comments. I think you are aware from listening to what people said that Prof. Nonaka's knowledge creation theory has had a great influence not only in Japan but around the world and it is something that is really practical. Prof. Nonaka's knowledge creation theory will help to improve the performance of public sector organizations. It will help to create new value. We feel that it is a very effective approach. All of our research members share this common understanding.

In order for this to happen, as I mentioned at the beginning, we have asked people from human resource development organizations to join our research; this thinking has been adopted to promote the development of leaders who can encourage knowledge management. We are already noticing moves to establish leadership development programs which adopt knowledge management theory. We hope that this research will be a starting point in these five countries and as well as elsewhere for applying knowledge management to administrative reform and to achieve the common-good that Prof. Nonaka always emphasizes. We have high expectations for this.

There was also a talk about the Asian values and Asian context with a question mark. We have been thinking about the Asian context in contrast to Western thinking and we have been thinking about leadership and management approaches that are better suited to the local context. We notice, however, though there are common areas in Asia, there are also differences in values, institutions, and history. We need to look at what is common to all of us and also what is specific to each country or a locality. There are both of these aspects, commonalities and differences. It is not that we have no commonalities.

For instance, the concept of the sufficiency economy in Thailand is very similar to a concept in Japan called "knowing to be satisfied." As Mr. Ogiwara mentioned, in Asia, even private sector companies are not thought to be just money-making organizations. It is thought that companies fundamentally need to contribute to making a better society. This is another common value. I believe all of our societies share this value.

For the time being we have been focusing on the public sector or the government in order to adopt this approach, but this morning we were also asking: what is the public sector? It is not only the central government and the local government. It also includes NGOs, NPOs and private sector companies who need to collaborate together to create a common good. That was the conclusion regarding our discussion this morning.

This research project will conclude after 2 years but we are hoping that this thinking and these efforts will continue well into the future. Furthermore, the outcomes of this research are due to be published in the form of a book. Once this book is published, we hope you will have a chance to read it. I would like to thank all of our speakers for their speeches today. We are also very grateful to our participants who took time out of their busy schedule at the end of the fiscal year to join us. Thank you very much.

Prof. Masaei Matsunaga (MC)

We would like to conclude today's forum at this time. The copies of the slides that were used in the presentations have been provided as printouts at the entrance, so please feel free to take back a copy with you. Thank you very much.

The Second Policy Forum on Leadership and Management Development in Asian
Countries

Published in May, 2015

National Graduate Institute for Policy Studies (GRIPS)

Address: 7-22-1 Roppongi, Minato-ku, Tokyo 106-8677, Japan

URL: <http://www.grips.ac.jp>

Tel: +81-3-6439-6037 / Fax: +81-3-6439-6030

E-mail: asianleadership@grips.ac.jp
