



Serene setting: The Swiss Alps resort of Davos is the site of the annual meeting of the World Economic Forum, where global issues are discussed.

SWISS-IMAGE.CH / CEDRIC KIENSCHERFF / DESTINATION DAVOS KLOSTERS

## Human security gains place on agenda

Former UNHCR Ogata to attend annual meeting to spur implementation of 'common policies for humankind'

Keisuke Okada  
SPECIAL TO THE JAPAN TIMES

For Sadako Ogata, her planned attendance at this year's annual meeting of the World Economic Forum in Davos, Switzerland, has a special meaning because her decade-long advocacy of "human security" is now high on the agenda.

Ogata, the president of the Japan International Cooperation Agency, the implementation arm of Japan's foreign aid, was a resident in Geneva in her previous role as the U.N. High Commissioner for Refugees when she was first invited to the Davos forum in 1992.

"Strangely, I was asked to attend an informal group of economic leaders at Davos, although business was out of my sphere," Ogata said.

At Davos, she became acquainted with Klaus Schwab, the founder and executive chairman of the WEF, the nonprofit, nonpartisan foundation that runs the annual meeting. This led her to become a regular attendee of Schwab's insiders' group with which he consults about the agenda for upcoming Davos meetings, Ogata said.

"Davos was a good place for me to learn many things out of my sphere," she said with a smile. "And I got addicted to Davos."

With this week's planned participation, Ogata will have attended 19 of the annual Davos forums in the last 20 years.

In the 1990s, reflecting the turbulent international situation, Davos began to address political and humanitarian issues in addition to conventional economic issues. As a consequence, Ogata's presence at Davos began to gain in importance.

At the same time, Ogata, who served as the High Com-



Advocate: Sadako Ogata, the president of the Japan International Cooperation Agency, is a former United Nations High Commissioner for Refugees. SATOKO KAWASAKI

missioner from 1991 through 2001, found Davos to be an ideal venue to solicit support among the world's political and business leaders for the protection and relief of refugees.

While finishing the final year of her tenure as the High Commissioner, Ogata was given a new assignment to co-chair the Commission for Human Security. Her partner was Amartya Sen, an Indian scholar and Nobel laureate in economics. The commission was created at the initiative of the Japanese government and then U.N. Secretary General Kofi Annan.

In February 2003, after two years of intensive deliberations, the commission released a final report titled "Human Security Now," the new standard for the promulgation of human security.

Human security was first introduced as a distinct con-

cept in the 1994 United Nations Development Program's Human Development Report. Japan was and still is a principal advocate of the concept in the world.

The concept is one of the central pillars of Japan's foreign policy, in particular its foreign aid policy. Japan has been practicing the concept of human security in earnest since 1998 when then Prime Minister Keizo Obuchi first referred to it publicly in a major policy speech. One of Japan's prominent contributions to its promotion was the establishment of the U.N. Trust Fund for Human Security in 1999. Japan's financial assistance to the fund has amounted to more than ¥30 billion.

"Human security is a natural extension of Japan's post-war, peace-oriented diplomacy and the comprehensive national security policy, in which

use of military might is placed on the sidelines," Ogata said.

In assuming the presidency of JICA in October 2003, Ogata demanded that "achieving human security" be one of the four pillars of the organization's mission, with the remainder being "addressing the global agenda," "reducing poverty through equitable growth" and "improving governance."

Asked about her evaluation on how extensively the concept of human security has penetrated into the world, Ogata admitted that there remain some U.N. member states that are not comfortable with it for fear that it might be a challenge to the conventional concept of national security by a sovereign state.

"However, an overwhelming majority of the U.N. member states are at ease with human security as a universally shared concept that transcends national borders," she declared.

What matters is its implementation in practical terms, Ogata emphasized, adding that she welcomes moves by regional organizations such as the African Union, the League of Arab States and the Association of Southeast Asian Nations to address human security issues in the field.

Meanwhile, the WEF released a lengthy report titled "Global Redesign: Strengthening International Cooperation in a More Interdependent World" at the Global Redesign Summit, which was held in Doha last May. The report elaborates the parameters of an optimal system of global cooperation as well as a set of pragmatic steps that are ready to be carried out in specific areas of international cooperation.

For instance, one part of the

report states: "Our state-centric international system needs to be adapted to an era of deeper global interdependence in which the big challenges to human security increasingly span national borders, ministerial portfolios and stakeholders. Nation states and intergovernmental structures will continue to play a central role in global decision-making. But they must be adapted to today's needs and conditions if they wish to preserve their effectiveness and legitimacy."

"It has come as a big surprise and joy for me to learn that the WEF is set to address human security issues in earnest," Ogata said.

At a symposium on human security held at Waseda University in Tokyo last summer, Ogata and the other participants all welcomed the Global Redesign Initiative of the WEF "as an essential initiative to step up the discussion on human security."

At the upcoming Davos forum, Ogata is to co-host a breakfast meeting with Mark Malloch-Brown, the former British state minister and former U.N. Deputy Secretary General who is a senior adviser to the Global Redesign Initiative, to publicize the concept of human security to a group of 30 to 40 world leaders.

"In this age of globalization and deepening interdependence, sovereign states can not perfectly safeguard human security. Even international organizations like the United Nations are constrained by the convention of consensus rule among sovereign states," Ogata said. "In this regard, there is a higher chance than before that Davos could play a larger role in initiating common policies for humankind."

## Davos co-chair sees potential of Japan

Nation holds keys to new technologies to help world

Sayuri Daimon  
STAFF WRITER

Japan's presence may appear to be sagging in the world, with its politics failing to take initiatives to tackle various problems, its economy being overshadowed by growing China's gross domestic product and its youngsters losing interest in foreign countries. However, Mitsubishi Corp. Chairman Yorihiro Kojima thinks otherwise.

"Japanese people should have more confidence in themselves. Japan is a country with great potential," Kojima said in an interview with The Japan Times prior to leaving for this week's annual meeting of the World Economic Forum in Davos, Switzerland.

Kojima will be leading discussions at the annual meeting as one of the six co-chairs. He said he wants to send a message to the world that Japan can contribute a lot to the world with its technological strength, especially in the areas of clean energy and energy saving.

"It is a good time for the WEF meeting to take up the issue of energy saving, given the looming threat of climate change and the ballooning world population," Kojima said. "I want to stress that Japan has highly advanced energy-saving and environment-friendly technologies that can cope with the global agenda."

Around this time of year for more than four decades, leaders from various industries, governments, academia and the media gather at Davos to discuss global issues and their solutions.

This year, the leaders will meet at Davos under the theme "Shared Norms for the New Reality."

The five other co-chairs are Paul Bulcke, CEO of Nestle; Wei Jiayu, CEO of China Ocean Shipping (Group) Co.; Ellen Kullman, CEO of DuPont; Jacob Wallenberg, chairman of Investor AB; and Chanda Kochhar, CEO of ICI-ICI Bank.

The 69-year-old Kojima, who went to Davos in 2008 along with then Prime Minister Yasuo Fukuda, said he was asked by WEF founder and Executive Chairman Klaus Schwab to take up the job of co-chair this year.

"Schwab told me that when people talk about Asia, it is becoming to mean China and India. Then he said, 'To rev up Japan's presence in the world, please cooperate with us,'" Kojima said.

Kojima, the head of Japan's leading trading company, also believes the nation's strength lies in its technologies in building infrastructure.

"To nurture any industry anywhere, what's necessary is basic infrastructure, such as power plants, roads, railroads and ports as well as water-supply facilities, and Japan has been good at building such infrastructure," he said.

"Take nuclear power plants, for example. Japan can boast safety and efficiency, and Japan's technology for creating efficient gas turbines for power plants is No. 1 in the world," he said.

Japan can also be proud of its shinkansen bullet trains,



Davos co-chair: Yorihiro Kojima, chairman of Mitsubishi Corp., speaks to The Japan Times at his office in Chiyoda Ward, Tokyo, on Jan. 19. SATOKO KAWASAKI

which have not yet had a major fatal accident, and its world-class water-related technologies, ranging from turning sea water to fresh water to water recycling and sewage treatment, Kojima said.

In recent years, Japan has been lagging behind South Korea in exporting infrastructure capabilities. The Japanese government will boost its efforts to help domestic companies win more orders abroad and it is especially trying to export nuclear power generation technology after securing a basic accord in October to build two nuclear reactors in Vietnam.

In the business of water, Japanese companies are also accelerating investment in water services companies outside Japan in a race with larger global rivals, led by French companies Veolia Environnement and Suez Environnement.

Last year, a consortium led by Mitsubishi reached an agreement with United Utilities Group PLC in Britain to purchase its Australian subsidiary United Utilities Australia, Australia's No. 2 water services company. The government-backed Innovation Network Corporation of Japan along with the Tokyo Metropolitan Government's Bureau of Sewerage also are supporting the project.

"To carry out infrastructure-related projects, it is risky to do it just through a private firm, considering possible country risks," Kojima said. "Now, many public entities, such as the Japan Bank for International Cooperation and the Japan International Cooperation Agency, are very supportive, and more and more projects are being carried out by public-private partnerships. I welcome such moves."

On top of its advanced technologies, what is unique about Japanese manufacturers is that many made-in-Japan products are a result of joint efforts of various industries, according to Kojima.

For example, when developing a car, it is not only the automaker that makes efforts, but steel companies also think about how they can make light and thin steel

boards. The molding industry at the same time tries to build molds for such light and thin steel boards.

"Usually, companies are only concerned about making a profit and such a joint effort (to develop a better product) can only be seen in Japan," he said, adding that such a cooperative mind in Japan's culture is a kind of soft power that the country should be proud of.

In addition, Kojima said Japan has other kinds of soft power, such as "anime" and films, safe and delicious Japanese food, and hospitality services.

To further nurture such positive sides of Japan, Kojima believes Japan's traditional values should be taught at schools and homes.

"For young people to know the value of serving people, society and the country is very important, and such values must be taught at schools and homes," he said. "And serving the world is an extension of those values."

Despite taking up the co-chair at Davos, Kojima admits that he is not an eloquent English speaker, but that is not a big issue in the international community, he said.

Kojima's communication skills in English flourished during the years he spent in Saudi Arabia in the late 1970s on his first assignment overseas for Mitsubishi.

"At our office in Saudi Arabia, our common language was English, not Arabic. I had to work with colleagues from more than 20 different countries, and everyone was speaking with different accents. In such an environment, what was important is to clearly express one's opinion, rather than speaking in fluent English," Kojima said.

"What I want to say to young people is, 'Go abroad, communicate and make friends with people outside Japan,'" he said, adding that he hopes to share his experiences at Davos with younger people in Japan.

"We can't see each other's faces if discussions only take place via e-mails, but at Davos, we can have face-to-face discussions and make friends. It is important that such a network of people will be created across borders," he said.

# world economic forum special

## Keep up with the changing world through Davos, WEF resources

Yoko Ishikura  
SPECIAL TO THE JAPAN TIMES

The annual meeting of the World Economic Forum, known as Davos, is one of the best windows on the world today. It is often described as the place where leaders and experts of various kinds throughout the world gather to discuss issues we face. Extensive media coverage informs us of what is happening at the meeting held in Davos, a small ski resort in Switzerland, every January.

Why has Davos become one of the most significant meetings in the world? Now in its 41st year, how has it maintained its energy? Let's answer these questions and revisit the changes that have taken place in the composition of participants, the topics and the discussion format.

The annual meeting has reflected the evolving status of the world in the first decade of the 21st century. It is unique in that the WEF remains one of the most powerful nonprofit organizations on its own, without any direct support of any government. From my experience serving as a panelist, moderator and discussion leader in Davos during the past decade, I have seen the meeting change in many ways.

The first time I participated in Davos was in 2000. I was very impressed by the presence of all the leaders of the G-7 countries and the young age of the leaders not only in business but also in the political community outside Japan. It was the annual meeting's 30th anniversary year and Davos was full of excitement and hope for a great future expected from information technology. I was struck by the fact that the business leaders of IT



companies, such as Bill Gates, Michael Dell, and Steve Case, were all very young and by the sharp contrast between their youth and those representing Japanese businesses.

I was one of the panelists in the Japan session as I served on the Regulatory Reform committee of the Japanese government. The interest in Japan, and in particular, whether the reform efforts were producing results, was quite high with many non-Japanese in the audience. Japanese business leaders served as one of the co-chairs of the meeting during the early 2000s and the Japan reception held during the meeting attracted a considerable number of people interested in what was happening in Japan.

Comparing the high expectations from the world community for the reform and potential in Japan in the early 2000s with that of today makes us realize how the relative position and expectations for Japan have declined.

In the latter half of the 2000s, meeting co-chairs went to the leaders of India, China and other emerging economies of Asia, not Japan. The sessions related to Japan attract relatively fewer people from outside Japan. It has be-

come clear that global competition is real not only at the company level, but also at the country level. The world's interest has shifted from Japan to other emerging economies and Asia in general, as the sessions on China and India were oversubscribed. Partially reflecting the declining level of interest in Japan, there are few Japanese chosen as panelists, moderators, discussion leaders or speakers for the plenary sessions. The number of participants from Japan has stayed at about the same level, but the majority come to Davos only as "observers." In Japan, media coverage of Davos has been poor as Japanese media tend to focus on domestic issues for its target audience, failing to capitalize on the value of Davos as a window on the world.

In the meantime, many changes have taken place at the WEF itself, reflecting the transformations sweeping the world in the 21st century.

At Davos, the topics address the volatile and diverse nature of the world undergoing a major transformation. Words such as "fragile," "power shift" and "inclusive" have been used in major themes of the annual meeting. Each year, the topic reflects the pressing global agenda, such as the global financial system in 2009 and sustainable recovery in 2010.

As the world has evolved with many global issues, we often find sharp contrasts of views and opinions not only about solutions to the issues, but also about the importance of the issues. Views from advanced economies are different from those of emerging and developing economies, but they are all voiced and respected. When votes are taken on the spot, you often find a

50-50 split on the issue. In a way, it reflects the increasingly polarized nature of the world today. The meeting has become a place for participants to discuss, challenge, debate and, at the same time, take a step forward to explore the potential for collaboration.

In recent years, civil society organizations, social entrepreneurs and technology pioneers have been invited to Davos as they have become significant players in shaping the world agenda. The media that cover the events have changed as information and communication technology has advanced. In addition to traditional print and TV media, social media including blogs, Twitter, Facebook and YouTube have helped the world know what is happening in Davos. Plenary sessions are now webcast so they can be watched real-time online in different languages. This is different from a decade ago when the written summaries of the sessions and reports became available only after some time.

The format of discussions has changed in order to make them more interactive, capitalizing on the face-to-face contact which is only possible at Davos. A decade ago, more time was allocated to panelists who often prepared their speech in advance. Today, only short, initial remarks are made by the panelists, and Q and A and discussions with the floor now dominate the sessions.

Many experiments have been tried for the format of discussions, in addition to the regular panel. WorkSpace sessions and IdeasLab are such examples. In WorkSpace sessions, which last two hours or more, participants brainstorm issues using graphics. Ideas-



Famous faces: From left, former U.S. President Bill Clinton, Microsoft's Bill Gates, then South African President Thabo Mbeki, then U.K. Prime Minister Tony Blair, U2's Bono and then Nigerian President Olusegun Obasanjo attend a session of the annual meeting of the World Economic Forum in Davos, Switzerland, on Jan. 27, 2005. WORLD ECONOMIC FORUM / SWISS-IMAGE.CH / SEVERIN NOWACKI

Lab allows new ideas to be presented by several discussion leaders using quick-blitz visuals without text, followed by a discussion with participants. The new formats require participants to be willing to experiment and be engaged as active members with ideas for solutions. In other words, you need to be ready to think, share your ideas with others on the spot and collaborate to develop specific solutions.

In addition to the "open" and "public" sessions, there are many private meetings and "bilateral" meetings taking place at Davos. Some private meetings involve members of certain industries and experts related to the industry or topic. Some meetings are specifically for CEOs of corporations and others for policymakers. Participants are given a rare opportunity to set up private meetings with experts and leaders from around the world as they are physically gathered in the small ski resort for several days.

Because you can access

webcasts and interviews via the Internet, face-to-face contact and meetings have even more significance today. The value of being physically there to see it yourself cannot be overemphasized. It is up to the initiative of the participants themselves how they make the best of the opportunity.

Many receptions, lunch discussions and working dinners are organized by corporations, universities, countries, artists and civil society to appeal to the participants. It becomes a 24/7 event of intellectual and cultural stimulation.

It also serves as the launching pad for some actions requiring multi-stakeholder collaboration. For example, efforts to stimulate specific actions from policymakers, businesspeople and educational institutions as well as international organizations have been made for education and job initiatives.

In addition to audiovisual materials on various conferences, the WEF has many resources on its website such as

its annual Global Competitiveness Report, Global Risks Report and reports of the Global Agenda Councils, to name a few. They are available to the public.

The Global Agenda Seminar I ran at the Roppongi Academy Hills in 2010 was one of the attempts to make young Japanese aware of global issues, analyze them and develop solutions by making the best use of the resources that the WEF has. One objective was to develop capability in young Japanese to operate in the increasingly interconnected world so that they can one day participate in a meeting such as Davos. Another objective was to expose Japanese to how the agenda is being explored, set and shaped for G-20 and other important global summits because the meeting in Davos plays a critical role in setting and shaping the agenda for the world.

Is there any way you can benefit from Davos without being invited to the meeting? My suggestions are to watch

the webcasts to see what is being discussed, read the summary of the sessions and follow the tweets, blogs and YouTube videos of the meeting. You can get an idea of what issues leaders of the world are facing and how diverse the views are. What is most important is to understand the complexity and multidimensionality of the issues and the need for multi-stakeholder collaborations to resolve the issues.

Now in 2011, distance and time are not hurdles anymore. You can be connected to the most open and cutting-edge debates by familiarizing yourself with the annual meeting at Davos and the resources on the WEF's website.

Start today and be a part of an exciting debate and action program!

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## world economic forum special

## For more than 40 years, Davos continues its evolution

Eric Johnston  
STAFF WRITER

More than four decades after it was conceived, the World Economic Forum has become one of the world's most important gatherings, recognized by its staunchest allies and fiercest critics as having made political and economic history, shaping the modern world.

The forum was founded in 1971 by German economist Klaus Schwab as a retreat for European business titans to meet informally and explore the latest macroeconomic theories being propounded by academics, especially in U.S. business schools. The annual meeting has become known simply as Davos, after the Swiss ski resort town where the forum meets every January.

In the late 1960s, after a stint at Harvard University, Schwab wrote a book arguing that modern enterprises must serve all stakeholders, not only traditional ones like shareholders and customers, but also government, society and the national economy. Then, using his own money and securing funding and cooperation from influential friends, he organized the inaugural European Management Forum in 1971, which drew about 500 participants. The initial meetings included Harvard academics such as Henry Kissinger and John Kenneth Galbraith.

From the beginning, the idea of the gathering was not only to discuss business, finance, stock markets, currencies and other economic issues, but also the changing political and social contexts in which economies were operating. By the mid-1970s, these informal meetings had influenced other European leaders to create other platforms, such as the bloc of nations that would eventually become the Group of Eight (G-8), to formally address financial and

economic issues.

Davos was continuing to grow in influence, though, with attendance figures increasing each year. Political and business leaders appreciated the fact that, as the official history of the WEF notes, they could meet privately and informally, and not be forced to put out official communiques or press releases. It would not be until years later that the relaxed, informal and private atmosphere at Davos would become the target of international criticism.

Despite the large presence of high-profile leaders at Davos, the early years were relatively relaxed in terms of security. That began to change when, in September 1977, the Red Army faction kidnapped and murdered Hanns-Martin Schleyer, head of the Federation of German Industries and one of the most powerful men in his country. He had agreed to chair the 1978 Davos meeting and his murder led to strict security measures for all participants.

Two years later, however, in a major triumph for Davos, a delegation from the People's Republic of China participated for the first time. The Chinese presence came about a year after Deng Xiaoping introduced the four modernizations to reform Chinese industry, agriculture, national defense, and science and technology.

1979 was also the first year the forum released a report on the global competitiveness of European industry, which later became the annual Global Competitiveness Report.

The 1980s saw the rise of Ronald Reagan, Margaret Thatcher and the end of the Cold War. Amid the various economic and political changes of the times, Davos continued to play a strong role and grow in size and influence. By 1987, it was attracting nearly 50 heads of government, minis-



Founder: Klaus Schwab speaks in Geneva on Jan. 19 about this year's annual meeting of the World Economic Forum. AP

ters and chiefs of international organizations. It was clear the forum had expanded well beyond Europe and the name was changed to the World Economic Forum.

1987 was also the year that West German Vice Chancellor and Foreign Minister Hans-Dietrich Genscher told Davos it could trust Russian leader Mikhail Gorbachev, who was trying to implement glasnost and perestroika: "The West has no reason to fear cooperation. Our motto must be: Let us take Gorbachev seriously. Let us take him at his word." Many historians regard his Davos speech as a pivotal moment that helped end the Cold War.

The following year, politics once again took center stage, as the prime ministers of Greece and Turkey met and signed what became known as the Davos Declaration, which would help pave the way for the normalization of relations. Just a couple of years earlier,

the two countries had nearly gone to war. Israeli and Palestinian leaders, and even representatives of North and South Korea, also were using Davos to meet informally.

At the 1989 meeting, months before the Berlin Wall fell, nearly 20 heads of Eastern and Western European countries were invited to discuss German reunification and its implications. Separately from its annual meeting, the WEF held its first meeting in Tokyo that April, which was co-sponsored by Japan's major industrial organizations.

That year, Davos participants were also turning their attention to more long-term issues not traditionally taught in business and economics classes. One of these was the environment. The Norwegian prime minister at the time, Gro Harlem Brundtland, used her appearance at Davos to call for an ecological-environmental international summit.

Three years later this was realized at the Rio Summit, which gave birth to two new United Nations conventions, on climate change and biodiversity.

Also that year, Lester Thurow of the Massachusetts Institute of Technology predicted the future would see three trading blocs: North America, Europe and the Asia-Pacific.

Meanwhile, former U.S. presidential adviser Martin Feldstein made headlines and surprised currency markets when he said at Davos that the dollar would likely fall to ¥100 by 1992. The dollar, then trading at about ¥127, would be about ¥123 by the end of 1992 but drop below ¥100 by the summer of 1994.

1992 was yet another pivotal year for politics at Davos. South African anti-apartheid and African National Congress leader Nelson Mandela, who had been released from prison only two years earlier, made a first-ever joint appearance

outside the country with South African President F.W. de Klerk. Mandela used his appearance to tell the forum that the apartheid era was over and that South Africa was moving toward a new constitution that respected democracy and human rights. Nor were Mandela and de Klerk the only major political figures drawing international attention at Davos that year. Chinese Premier Li Peng told the forum that China would become a "medium-level" developed country sometime between 2030 and 2050, a prediction that surprised many.

Two years later, Davos was the scene of a historic meeting between Israeli Foreign Minister Shimon Peres and Palestinian Liberation Organization leader Yasser Arafat. The two reached an agreement on a draft treaty regarding the Gaza Strip and Jericho. The successful meeting was hailed worldwide as one of the most significant accomplishments for peace in the Middle East in many years.

With the end of the Cold War, there was a belief shared by many around the world that Anglo-American economic principles of the kind the WEF had promoted for more than two decades had been the ideological victor. But by the mid-1990s, a growing backlash against what was being called "globalization," which the developing world saw more as economic imperialism by the United States and European democracies, was affecting discussions at Davos.

Schwab drew attention to the rising tensions in an opinion piece in the International Herald Tribune. He wrote that "economic globalization had entered a critical phase. A mounting backlash against its effects . . . is threatening a very disruptive impact on economic activity and social stability in many countries." He

urged the WEF to start taking the antiglobalization movement more seriously. Over the coming years, the forum would reach out to more leaders from civil society, especially from the developing world, in order to include more voices in the debate.

By the time Davos celebrated its 30th anniversary in 2000, the antiglobalization movement was making plans for its own summit. The World Social Forum was launched in 2001 to counter the neoliberal economics upon which Davos had been founded. But nothing could replace what had become, admirers and critics agreed, perhaps the world's most important networking session.

At the 2000 Davos meeting, U.S. President Bill Clinton dropped by, the first time a sitting U.S. president had ever done so. He was joined by not only U.K. Prime Minister Tony Blair and Prime Minister Yoshiro Mori, but also the top representatives of nearly all the major global nongovernmental organizations.

Over the past decade, Davos meetings have operated under often turbulent political and economic conditions. After the terrorist attacks on New York and Washington, D.C., on Sept. 11, 2001, the forum decided, for the first time ever, to hold its annual meeting in New York to show solidarity with the U.S. But there were deep disagreements between participants over America's rush to war as well as concerns about North Korea and conflicts in the Middle East.

There were also concerns about the World Social Forum and the antiglobalization movement. Then Brazilian President Luiz Inacio Lula da Silva, along with the presidents of Argentina, Colombia, Mexico and Peru, flew directly from the 2003 WSF to Davos, reporting on the very different view participants at the social-

ist forum had on how to deal with economic issues. The most contentious of these involved the extent to which private money should be used to tackle social problems such as poverty and human rights, and what the proper role of corporations in society was. The 2003 Davos meeting ended with a call for "inclusive globalization" that would combine the "passion (of the WSF) with the rationality of Davos."

Throughout the forum's history, Japan in particular has played a key role, with a Tokyo office of the WEF established in September 2009. The office, opened by then Prime Minister Yukio Hatoyama, was designed to bring Japan's corporate, political, and academic leaders, "closer to Davos," as one participant at the opening ceremonies put it. The office is only the fourth regional office in the world, along with ones in Beijing, Geneva and New York.

In the past few years, Davos has been drawing ever larger crowds, with around 2,500 participants at the 40th anniversary meeting in 2010. The economic crisis that began in 2008 had been predicted by many Davos participants, and as the forum starts its fifth decade, recovering from the crisis, integrating developing economies into the international system, as well as dealing with environmental, poverty and health issues that cross borders, are some of the major issues forum participants will continue to tackle.

Thus, despite the monumental political, social, cultural and technological changes since 1970, the forum, born as a talk shop for European business managers, has become as global in scope as the world itself. It continues to discuss and debate not only economics but economics within the role of society and the importance of all stakeholders in ensuring that that role is properly executed.

## The sumo-style model of globalization

Hideki Kato  
PRESIDENT, THE TOKYO FOUNDATION

The word "crisis" seems to confront us everywhere we turn. In Japan, however, this is nothing new. In fact, we seem to have been living through a crisis of one kind or another for most of the past decade.

If what we are facing is truly a crisis, we need to look calmly at the true nature of the issues and think seriously about how we are going to address them. I believe that our first priority should be to understand the common nature of the problems facing us in a number of different spheres.

We are currently going through the largest turnaround since the Industrial Revolution. This is a phase that began several decades ago, and it is likely to continue for several more decades.

During this phase, the speed with which the exchange of people, goods, money and information is taking place has accelerated. While this has engendered great benefits, it has also resulted in a loss of diversity.

It has also produced a perception gap among the countries of the world. The industrially advanced countries, including Europe, the United States, and Japan, increasingly see limits to growth, but emerging economies like China, India and Brazil are intent on seeking rapid economic development.

This has spawned disagreements over environmental and other issues. Competition for growth, moreover, has complicated efforts to deal with emerging challenges, such as the global financial crisis and the fiscal crisis in the European Union.

These developments show that stopgap measures are not enough. The world needs



more fundamental solutions to the challenges it faces.

**Problems in Japan**

In retrospect, Japan was exceptionally fortunate over the half century since the end of World War II. We enjoyed unbroken economic growth, and any domestic problems that emerged could be rectified by enlarging the size of the economic pie.

Japanese politics remained stable, at least on the surface, under the reign of the conservative Liberal Democratic Party, in stark contrast to the situation in Europe and the United States, where government changed hands rather frequently.

The collapse of the bubble economy in the early 1990s, though, put an end to the days

of ever-soaring economic growth in Japan. During most of the two decades since then, successive LDP administrations merely adopted quick-fix measures to deal with stunted growth.

The time finally came, though, when the bill had to be paid, both politically and economically. Social systems premised on continued growth sputtered as the economy entered an era of steady decline.

The LDP was knocked out of power by the Democratic Party of Japan in the autumn of 2009, although the DPJ's lack of unity and experience has tied its hands in coping with pressing issues. Japanese voters are by no means hoping for a return to LDP rule, though.

As secretary general of the Government Revitalization Unit in the Cabinet Office, a waste-cutting task force introduced by the DPJ, I have been taking part in the screening of government programs. This process is not only a new attempt to eliminate waste but presents a good opportunity to thoroughly review the administrative process.

By having outsiders take the lead in these public screenings, people's understanding and awareness of state finances have been enhanced conspicuously. In this era of sweeping change, encouraging greater public participation in the administrative process can serve as a useful model for other countries.

**Dual-track globalization**

Under Bretton Woods and other postwar economic systems, efforts were made to lower or eradicate the "barriers" to the movement of people, money, and goods. But it seems to me that the time has

come to seriously consider the creation of international agreements and organizations oriented to regulating and decelerating such movements with stability and sustainability in mind.

In the "ultra-macro" domain of the global environment, this sort of discussion is already under way; henceforth, we will doubtless begin to hear it in various microeconomic forums as well. I believe that the current economic recession has placed us face to face with the challenge of fashioning new systems in a wide range of areas that will permit the coexistence of both the global and the local, the fast and the slow, the large and the small, as well as the universal and the individual.

I am proposing that barriers be built up again to slow the speed of economic growth as a whole. If such barriers are erected by individual countries, they are labeled protectionist, but what I am advocating is "legitimate protectionism."

Given the finite nature of natural resources on Earth, we need to recognize the limits to economic growth. Humankind is now fast approaching such a limit.

We also need to maintain diversity. Globalization may be unstoppable, but smaller companies in local communities that could be swept up in the wave of globalization are still important. They continue to sustain the country's regional economy as providers of jobs and sources of local revenue.

My proposal is simple. Let us treat smaller corporations differently from larger ones and establish barriers so that smaller businesses and local communities are able to absorb people as employees or residents. We should build a

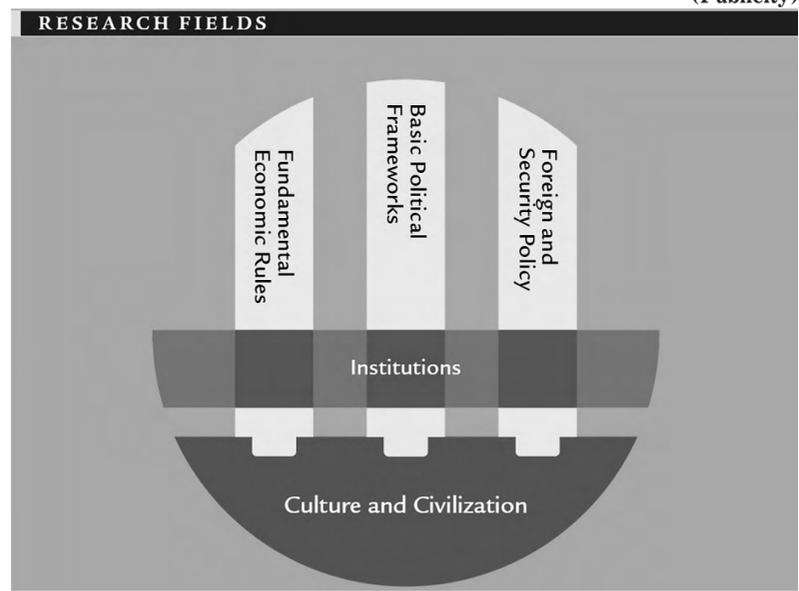
dual-structure or two-tier economic system that would allow global and local standards to coexist.

Let me illustrate with a sports analogy. While judo is a traditional Japanese martial art, it is now also an official Olympic event with its own international association. In order to make judo an international sport, judging standards, the colors of judo wear and other rules were made easier to understand by all people, regardless of nationality. In the process of introducing global standards, the cultural roots of the sport have faded.

Sumo, on the other hand, has adamantly stuck to its conventions. Inevitably, it has not become an international sport that is understood by everyone, yet nearly all the "yokozuna" (grand champions) over the past 10 years have been foreigners. At the summer tournament in 2010, of the 42 wrestlers in the top "makuuchi" division, 16 were born outside of Japan, including in Europe, Latin America, and Asia.

Judo-style internationalization gives top priority to enhancing efficiency through standardization, particularly in macroeconomic terms. In the sumo-style model of development, free access is ensured for everyone from any country, as long as they strictly observe the inherent rules and local conventions and agree to preserve those values that cannot be expressed in numerical terms, such as earnings.

We need to reconsider our commitment to judo-style internationalization of across-the-board deregulation and liberalization and instead consider the judicious placement of barriers and selective regulations. This may benefit humanity by slowing



## About the Tokyo Foundation, a nonprofit think tank

The Tokyo Foundation is an independent, nonprofit think tank that presents concrete policy proposals based on a lucid analysis of the issues combined with a solid grasp of everyday life and the reality on the ground. The foundation also cultivates socially engaged future leaders with a broad perspective and deep insight, both in Japan and overseas. It aims to change society for the better with its unique combination of policy research and human resource development.

From its central location between the National Diet and the Kasumigaseki district — home to the nation's central bureaucracy — the Tokyo Foundation carries out neutral and inde-

pendent policy research and makes important policy proposals. The foundation goes beyond abstract reasoning, seeking wisdom in Japan's native culture and civilization to promote concrete proposals with immediate, real-world applications.

Recent policy proposals include "Asia-Pacific Security Architecture: Tiered Structure of Regional Security," "Renewing Old Promises and Exploring New Frontiers: The Japan-U.S. Alliance and the Liberal International Order" and "Problems with Mandatory Adoption of International Financial Reporting Standards."

For more information, visit the foundation's website at <http://www.tokyofoundation.org/en/>

things down to the point where we can stop ourselves before going over the precipice.

This structure would be acceptable not only to the developed countries but also the emerging economies, which are likely to face similar problems in the near future. I am thus convinced that moves would emerge in the

not-so-distant future to set up an international consultative body to introduce global policy measures that go in the opposite direction from those taken over the years by many international organizations.

Hideki Kato graduated from Kyoto University and joined the Ministry of Finance in 1973. He left the ministry in 1996 to set up a nonprofit

advocacy group called Japan Initiative in 1997 to work out policy proposals from the viewpoint of citizens. Concurrently, he assumed the presidency of the Tokyo Foundation in 2006, and in 2009 was appointed secretary general of the Government Revitalization Unit, which is charged with eliminating government waste.

# world economic forum special

# Eat healthier to provide meals for others

Motohisa Furukawa and Masaakira James Kondo  
SPECIAL TO THE JAPAN TIMES

Six billion people live on this planet today.

One billion of them suffer from hunger and malnutrition. Another billion suffer from obesity and its associated chronic diseases.

What an irony: a world where many literally kill themselves by overeating, while an equal number of people are dying of hunger.

The stark dichotomy of the haves and the have-nots is disturbing. What's more, the situation is getting worse.

The World Bank estimates that in recent years 100 million additional people have fallen into poverty and hunger due to high food prices, reversing a decade of progress. The health consequences of this crisis are dire. The weakest in society, children, are the first to suffer.

Trends in obesity are equally troubling. Obesity and its associated chronic diseases account for 60 percent of all deaths worldwide, compared with 30 percent caused by



Motohisa Furukawa and Masaakira James Kondo

communicable diseases and 10 percent caused by injuries. Obesity is also quickly becoming a problem beyond the world's rich countries. As the Western diet and lifestyle have spread around the world, 80 percent of the deaths caused by obesity-related chronic disease now occur in low- and middle-income countries, according to the World Health Organization.

The structural causes of hunger and obesity are daunting. Hunger is a product not only of agricultural policies, but also of trade, development, and security policies in both the developing and the developed world. Obesity also has a formidable ally in human biology, which was shaped several millenniums

ago in an environment of extreme food scarcity, a time when evolution favored those who hoarded available food. Couple this with today's easy availability of unhealthy foods and the preponderance of unhealthy lifestyle choices and the result is an explosion in obesity. In light of such challenges, it is tempting to give up and resign to indifference and inaction.

The World Economic Forum challenged members of its Forum of Young Global Leaders — leaders under the age of 40 from around the world — to come up with innovative solutions.

The outcome of the intense discussion was Table for Two (TFT), a global movement to simultaneously address global hunger and obesity. The mechanism is simple: Every time someone eats a certified healthy meal at a cooperating company cafeteria or restaurant, 25 cents will be donated to fund a school meal in a region suffering from hunger.

Through this innovative idea, individuals can help themselves avoid obesity

while also helping a child suffering from hunger. You make others healthy by becoming healthy yourself. It is a win-win solution.

The movement was officially launched in Japan in 2007. Since then, over 350 institutions have signed up and 7 million school meals have been provided in Africa. Participat-

**What an irony: a world where many literally kill themselves by overeating, while an equal number of people are dying of hunger.**

ing institutions include not only corporations (corporate cafeterias, restaurants, convenience stores, packaged food companies and online food companies), but also universities, hospitals and government ministries.

As co-founders, we have often been asked why TFT has been so popular in Japan. After all, Japan is not known for philanthropic citizens. However, the Japanese are highly health-conscious. Japanese food is recognized around the world as natural and healthy. As a result, the Japanese en-

joy the longest life expectancy in the world and lowest obesity of the Group of Eight countries. Also, the Japanese value moderation and compassion as paths to happiness. Thus, the fact that TFT is not just a healthy-eating-program, or just a donation program, but also an integrated program where you control your de-

sires to help others, has struck a spiritual chord.

Having said that, these "Japanese" characteristics are fundamentally universal. Everyone wants to be healthy. Everyone seeks to attain happiness. What is lacking is a program to put those ideals into practice — which is what TFT is.

Reflecting this universal appeal, the movement is organically spreading around the world. Through global corporations rolling out the program across multiple countries, and the power of word-

of-mouth in the age of social networks, chapters have sprung up in the U.S., the U.K., South Korea, Taiwan, Italy and India.

TFT has set a goal of being implemented in 1,000 of the world's largest corporations and restaurant chains by 2015. It is an ambitious goal, but achievable.

We invite everyone to participate in this movement. Ask your company or your favorite restaurant to sign up. And the next time you eat our certified healthy meal, close your eyes. You should be able to see, across the table from you, a schoolchild eating a nutritious meal with you at a table for two. It is this beautiful image that inspires us. It is the world we seek to create. Join us.

*Motohisa Furukawa, a member of the House of Representatives, and Masaakira James Kondo, co-founder of Health Policy Institute, Japan, co-founded Table for Two with Nobuo Domae, chief strategy officer of Fast Retailing. All were selected as Young Global Leaders in 2005.*



Helping hand: Schoolchildren in Uganda line up for healthy lunches provided by the organization Table for Two. TFT



Finding a way: A child is shown on a screen prior to a session on climate change at the annual meeting of the World Economic Forum in Davos, Switzerland, on Jan. 29, 2010. AP

## The opportunity to think about our responsibility

Mitsuru Claire Chino  
SPECIAL TO THE JAPAN TIMES

I belong to the first class of the Forum of Young Global Leaders, created by the World Economic Forum in 2005.



When I attended the WEF's annual meeting in Davos for the first time, I had no sense of

what it meant to be branded a YGL, a young global leader. Therefore, I was quite surprised when Klaus Schwab, founder of the WEF and the YGL community, asked why I deserved to be called that.

Throughout the years, the WEF gave YGLs so many opportunities to meet and interact with key global players. I felt very proud when I encountered the quiet yet commanding presence of Sadako Ogata at a round-table discussion on global dispute resolution. The passion and humility of former U.S. President Bill Clinton touched me when he spoke about his Clinton HIV/AIDS Initiative. And, I contemplated the true meaning of global citizenship, as I listened to Peter Brabeck-Letmathe talk about Nestle's vision of water security.

Common to all these individuals were their sense of responsibility and commitment for the causes they passionately believed in.

These experiences led me to take a closer look at myself. As a bicultural woman working as a U.S. lawyer for a multinational corporation headquartered in Japan, what can I and should I do in order to play my part in contributing to "improving the state of the world," the objective of the WEF?

I had always been concerned about the lack of Japanese women in leadership positions within Japanese corporations, but I never thought of it as my issue. However, the Davos experience changed that passive thinking. It was my responsibility to improve the situation. This eventually led me to propose and implement a diversity program focused on women within my company. I have also taken part in starting an initiative with fellow YGLs from Japan called Table for Two.

The theme of this year's Davos meeting is aptly titled "Shared Norms for the New

### About the Young Global Leaders

The Forum of Young Global Leaders is a World Economic Forum community of more than 750 exceptional people who share a commitment to shaping the global future.

These Young Global Leaders (YGLs) represent the future of leadership, coming from all regions of the world representing business, government, civil society, arts and culture, academia and media, as well as social entrepreneurs.

All those nominated to be YGLs are under the age of 40. Out of the thousands of candidates nominated each year, between 100 and 200 extraordinary individuals who have already demonstrated their commitment to serving society at large are honored with the title and invited to take part in the activities of the World Economic Forum.

The Forum of Young Global Leaders is a nonprofit foundation under the supervision of the Swiss government and works in close cooperation with the World Economic Forum to integrate young leaders into deep interaction with other stakeholders of global society.

Reality." It is naturally inspired by the rise of emerging powers, including China. The present state of the world poses difficult questions for YGLs from Japan: How is Japan relevant in the global agenda-setting process in this fast-moving world? How can we contribute to identifying and creating shared norms?

I hope that people in the next generation will join the debate in thinking about the responsibility, commitment and future of Japan, as well as of our own.

*Mitsuru Claire Chino is a corporate counsel at Itochu Corp. and was selected as a Young Global Leader in 2005.*

## 'We have the power to transform the future'

Ensuring a reliable supply of affordable electricity is fundamental to the mission of any power company. But in today's world, it isn't easy to achieve. Energy consumption is increasing rapidly, particularly in Asia, and fossil fuel prices continue to fluctuate dramatically. Above all, there is the overriding issue of climate change and the urgent need to reduce CO<sub>2</sub> output on a global scale.

To TEPCO President Masataka Shimizu, head of one of the world's largest electric utilities, these complex factors represent not only a challenge, but also a valuable opportunity for international business growth.



Tokyo Electric Power Company President Masataka Shimizu

expand their business in Europe and the Americas.

"We also have an industry-leading track record of reliability, with forced outage service interruptions averaging only two minutes per household in FY2009. And now, advances in information communication technologies are enabling development of new-generation smart grid systems to enhance TEPCO power system reliability and efficiency even more."

**Transforming the future to create a sustainable, low-carbon society**

"Caught between rising global electricity demand and the need to reduce CO<sub>2</sub> emissions, the time for power providers to act is now. With the global initiatives of our Vision 2020 business plan, I truly believe we have the power to transform the future."



TOKYO ELECTRIC POWER COMPANY

### Investing in progress, at home and abroad

"The need for low-carbon energy solutions is acute," says Shimizu, "but it is one that TEPCO is prepared to meet. We are making proactive, integrated efforts to reduce carbon output at every point in the energy chain, from power plant to end consumer. We are also taking a truly global approach, and have already laid the groundwork to play a role in Southeast Asia and other expanding overseas markets.

"Under our Vision 2020

business plan, we will invest over \$10 billion in overseas projects — and triple our overseas power generating capability to 10 thousand megawatts — over the next decade."

**Sharing expertise across the full spectrum of energy technologies**

"TEPCO's low-carbon energy solutions cover the full spectrum of high-efficiency thermal, nuclear and renewable energy technologies, and include load-balancing 'smart grid' distribution networks and advanced systems for power delivery to the residential, commercial, industrial and transportation sectors.

"We lead the world in high-efficiency thermal generation technology, and have over 40 years of experience in nuclear power plant design, construction, operation and maintenance.

"Currently, we are participating in Advanced Boiling Water Reactor (ABWR) development for the South Texas Project No. 3 and No. 4 reactors in the U.S., and in the field of renewable energy, our affiliated Eurus Energy Group companies are continuing to

### About TEPCO

Tokyo Electric Power Company, known to its customers and business partners as TEPCO, serves greater Tokyo and its environs, annually generating about 30% of all the electricity used in Japan. With an unparalleled record of customer service and supply stability, it is a global leader in advanced nuclear and ultra high-efficiency thermal power plant technologies, and actively develops hydro, solar, wind and other renewable energy sources.

Find out more about TEPCO at [www.tepco.co.jp/en](http://www.tepco.co.jp/en)

## Challenges for today's humanitarian leader

Yoshinobu Nagamine  
SPECIAL TO THE JAPAN TIMES

The classical leader is out, the team leader is in.

Today's manager starts first by knowing his own limitations and trusts in the capacity, expertise and ingenuity of his colleagues. His job merely consists of empowering them and coordinating their work. It is all about



considering objects as subjects, or potential agents of change.

This view smacks of the too well-known new management model, but how does this translate for humanitarian leaders? How do you convert these practices while you are in a remote place such as Africa, with the responsibility of helping thousands of people who have lost everything because of violence? How do you create a team spirit while you are posted in Afghanistan for one year, being in charge of 100 staff members coming from Afghan-

istan and from around the world?

While the business leader may have shareholders in mind, a humanitarian leader must constantly have victims as a focus. How to assist them, how to get access to them, how to help them return to normal life? Today's humanitarian work is getting more and more complex. It is no longer the romantic image of a doctor practicing operations for poor people or a volunteer bringing bags of wheat or chlorinated water. The humanitarian leader

needs to understand the environment where he is based. He must get to know the local culture in order to be the most efficient and take into account numerous parameters before launching an assistance program: logistics, human resources, finances, politics, time, geography. He needs also to be at ease with dealing with many stakeholders: local and national authorities, armed groups, civil society, media, beneficiaries. He often has to run against time and, consequently, be at ease in using the best available technology.

Human suffering is inextricably linked with the political development on the ground. It is also part of humanitarian work to convince and persuade the authorities to pay due regard to the life and dignity of the individual. How to deal with political authorities while ensuring that humanitarian action itself stays apolitical and neutral? Here, diplomatic skills and political sensitivities are required.

We see that it is not just about empowering the team but also recognizing the potential of stakeholders and making them aware of their responsibilities. Today's humanitarian work can be better achieved by not doing the work only, but by creating a participatory environment. As long as everybody agrees on the common goal, much can be achieved with everybody on board.

*Yoshinobu Nagamine is the head of the Tokyo office of the International Committee of the Red Cross and was selected as a Young Global Leader in 2010.*

### Hoping to show the world the vitality of Japan

Daisuke Iwase  
SPECIAL TO THE JAPAN TIMES

Many of our fellow Davos participants from Japan lament the significant decline of our country's presence in the international scene over the "lost decades."

This year at Davos, the Japan External Trade Organization (JETRO) will host a party — Japan Night 2011, Davos: Japanese Fine Food Fair — featuring prominent figures such as Sadako Ogata and Carlos Ghosn in a vain effort to lure the global elites away from other splendid evening galas with our internationally competitive soft power of culture and cuisine. The hidden agenda assigned to us Japanese delegates is to somewhat regain the attention and interest of our fellow participants, which has all together been stolen by our formidable Asian neighbor. If the vice premier of theirs and our prime minister were to speak in simultaneous sessions, I wonder what share of the crowd our podium can expect to gain?

But in the spirit of the "Davos Man," the term coined by the late Samuel P. Huntington to refer to the group of transnational elites that have little need for national loyalty and view national boundaries as obstacles that are vanishing, maybe we should not at

all be worrying about the state of Japan Inc. and rather be focusing on the more pressing issues that the contemporary world faces, such as the new norm of bankers' bonuses, fighting global obesity with macrobiotic diets, or attention disorder from the addictive use of social networks.

As a first-time participant, I am truly honored and excited about the opportunity to spend quality time with business, academic and political leaders from around the world in a secluded Swiss resort. Through the casual conversations that will take place over coffee in between the numerous sessions and the vast quantity of alcohol during the after-hour nightcaps, I hope to meet with as many interesting people as possible, listen to their successful stories as change-makers in their respective fields, and if possible, have them briefly listen to my story of launching Japan's first independent life insurance company in over 74 years together with a partner the age of my father. I hope that my humble entrepreneurial story will somewhat change their views of an aging and declining nation supported by young, unmotivated "herbivores," and have them believe that maybe sometime in the future, the idea that the sun may rise once again, is not just a dream.

*Daisuke Iwase is the vice president of Lifenet Insurance Co. and was selected as a Young Global Leader in 2010.*