

創価経営論集

第44巻 第1号 2020年3月

- ドボルー教授退任記念論文集出版に寄せて 栗山 直樹 (1)
- Considerations on the Customer Experience Management Cycle David Marutschke (3)
- Employment of Elderly Workers in Japan:
the Limits of the Current system and Assessment of the Conditions
for the Emergence of a New Dynamics Philippe Debroux (13)
- The Basics of Business Ethics and CSR in JAPAN Hiroo Takahashi (31)
- A Case Study of Non-Mainstream Local Governance and the Political Economy
of Business Revitalization in Osaka T. W. Lim / Y. Godo (51)
- Formation of the Concepts of Human Resource and Human Resource Management:
Transformation from Industrial Relations and Personnel Management
(A Research Note) Naoki KURIYAMA (65)
- デンマーク金融システムの概要 志村 裕久 (81)
- 韓国の電力取引市場 —規制改革前後と課題について— 徐 明玉 (103)
- フィリップ・ドボルー名誉教授の略歴と研究業績一覧 (113)

ドボルー教授退任記念論文集出版に寄せて

経営学部長 栗山 直樹

経営学部教授のフィリップ・ドボルー先生の定年によるご退任にあたり、記念論文集として発刊されることになり、一言ご挨拶申し上げます。

フィリップ・ドボルー教授は、2000年4月より、ほぼ20年にわたり、創価大学教授として、国際ビジネス関連の英語講義の充実に貢献されました。また、2004年より実施の海外研修プログラム（グローバル・プログラム）の立ち上げ、毎年の企画、実施において大きな貢献をされ、学生の国際舞台への活躍に大きな礎を築かれました。また、大学院経済学研究科においても、多くの博士号取得者を養成し輩出されました。

ドボルー教授は、ベルギーのブリュッセル自由大学を卒業された後、フランスのINSEAD ビジネススクールでMBAを取得され、ブリュッセル自由大学SOLVAY ビジネススクールで博士号を授与されました。

1990年岡山大学で国際経営担当の助教授に就任され、1994年から2000年まで広島市立大学で教授を務められました。2004年創価大学経営学部に移られ、広島から八王子に赴任されました。

創価大学では、2004年から毎年ヨーロッパを中心に派遣したGPミッションの企画・運営に携わり、欧州の名門ビジネススクールであるINSEADやIMDでの訪問授業を実現されました。また、ヨーロッパ連合の本部など国際機関での講義の橋渡しにも貢献され、グローバル・プログラムの充実に努められました。また、ベトナムのホーチミン市経済大学、ハノイ国家経済大学、フランス・レンヌ大学ビジネススクール、ISUGA ビジネススクールなどへの留学協定に尽力され、現在も多くの学生が奨学金付きの留学を享受しています。これらは、ドボルー教授が長年客員教授として先方大学に貢献した信頼関係から結ばれたものであります。

研究業績の生産性は高く、著書の出版、編著書への多くの寄稿、その他多くの学術論文を発表してこられました。毎年、海外出張で研究ネットワークを広げられ、本学との国際的ネットワーク構築に寄与しておられます。また、大学院博士後期課程の指導教授として、特に外国人留学生の4人の博士号取得者を指導し養成されました。

ドボルー先生は、学生に対して、知識の伝授だけでなく、個人として自律的に考え、行動できる道徳的価値観の基準を形成して欲しいとの視点で教育に臨んでこられたと述べられています。創価大学の価値観に全面的に賛同し、種々のプログラムに貢献されてこられました。

ドボルー先生の誠実で情熱的なお人柄にお会いできなくなることは本学部にとって大きな損失であります。誠に残念ですが、定年という避けて通れないひとつの区切りが遂にやってきました。いついつまでもご健康でご活躍されることを願ってやみません。ぜひ今後とも引き続き私たち後輩にもご指導のほど、よろしくお願ひ申し上げる次第です。

Considerations on the Customer Experience Management Cycle

David Marutschke

Abstract

Superior customer experiences are essential in gaining customer loyalty and achieving a competitive advantage. However, there is still a limited understanding of this subject due to its complexity and multidimensional nature. The advancing digitalization in the retail and service industries calls for the development of holistic management concepts and practices. The purpose of this paper is to analyze customer experience from a management perspective and clarify key research challenges.

1. Introduction

Customer Experience Management (CXM) has become one of the most important research challenges in marketing. Previous work has focused primarily on specific elements related to Customer Experience (CX) such as buying behavior models and relationship marketing. Relatively few publications take a holistic view of the entire experience, let alone of the management of such a complex construct. Lemon and Verhoef (2016) define CX as “a multidimensional construct focusing on a customer’s cognitive, emotional, behavioral, sensorial, and social responses to a firm’s offerings during the customer’s entire purchase journey” (p.71), and the marketing field is still in the early phase of exploring and conceptualizing CX Management (CXM) as well as investigating how individual elements are organized and related. Accordingly, the management of such experiences include its planning, implementation, measurement, and adaptation.

This paper discusses CXM from the perspective of continuous improvement, providing an overview of key terms and challenges which are relevant in each step of the Plan-Do-Check-Act (PDCA) management cycle. While the concept originates from the manufacturing industry and became an essential tool for quality control and lean production within the last few decades, the basic principles of continuous improvement have been applied to marketing processes as well, such as in product

development and service marketing (Lodgaard, Gamme and Aasland, 2013; Smith, 2006). Process management generally sets an expected target performance and subsequently develops a plan to achieve the target performance by providing necessary resources, ensuring proper implementation, controlling and verifying using a feedback system, and finally improving and adjusting business activities as needed (Jeston, 2014). While the PDCA cycle still needs to be scientifically tested and validated in the context of CXM, the process-based nature of the CXM model proposed by Lemon and Verhoef (2016) allows for an initial discussion of related issues and challenges in each step of the cycle.

2. Management of Customer Experiences

2.1 Plan (Designing customer journeys)

When being asked to think about a recent experience with a product, retailer, service or brand, one may remember a specific situation and point in time during the purchase process, or a chronicle of events that accumulate to extended experiences. Customer experience consists of various touch points, or points in time when a customer gets in touch with any part of the product, service, brand or organization, across multiple channels (Pantano and Milena, 2015). During these touch points, customers perceive and/ or engage in information, products, and services that are part of or related to a firm's offering. Stein and Ramaseshan (2016) analyzed customer narratives of experiences with retailers and found seven distinct elements of customer experience touch points, which are atmospheric (e.g. ambience and store layout), technological (ease of use of technology during an encounter), communicative (content and messages provided by the retailer), process (actions or steps by customers to achieve an outcome), employee–customer interaction (direct or indirect), customer–customer interaction (direct or indirect) and product interaction (direct or indirect, with the core tangible or intangible product).

Specific touch points which stand out because of positive or negative reasons (e.g. an unexpected reward given to a loyal customer, or an exceptionally unfriendly receptionist during a hotel check-in) may clearly mark memories about an experience. However, scholars argue that customers also organize a complex sequence of events and their reactions to these events into a meaningful whole (Padgett and Allen, 1997). For managers, this means that in order to create meaningful, compelling and memorable experiences, touch points need to be carefully interlinked to form a clear narrative. This *customer journey* is defined as the modeling of the sequence of events through which customers may interact with a service organization (Rosenbaum, Otolora and Ramirez, 2017), and looks at touchpoints both in the order they occur from the customer perspective and how they create a continuous narrative when progressing through the purchase stages (Marutschke,

Gournelos and Ray, 2019).

Due to the multidimensional nature of CX, there are an almost infinite number of possibilities to link touch points together. First, the time dimension needs to be considered which defines the order and speed of touchpoints. Some customers may move through the journey faster or slower, and may even skip or reorganize certain touchpoints. For example, a customer who considers buying a car might already have collected and reviewed a lot of information about a specific model through various sources before visiting a car dealer. This customer is less likely to be interested in an extended product explanation during the sales talk and may prefer to do a test drive right away. Second, technological progress enables customers to interact with companies through different channels, media, and devices, which requires companies to predict how customers use them in each step of the purchase process, and to seamlessly integrate touchpoints across technologies. Touch points also may not always be company owned, such as peer-to-peer interactions (e.g., on social media) and partner-owned touch points (e.g., airline vs. airports) which creates a challenge for management to effectively plan and control them. Although the CXM literature tends to include only company owned touchpoints when conceptualizing experiences, Baxendale, Macdonald, and Wilson (2015) have shown that positivity of not only brand owner touchpoints, but also retail touchpoints and third-party touchpoints, have a significant impact on the change in brand consideration. Lastly, individual circumstances (e.g., whether someone in the consideration phase relies on online word-of-mouth or prefers to ask people he trusts such as friends and colleagues) and the level of involvement may have an impact on the preferred path a customer takes for his journey.

The planning phase begins with the creation of a compelling touchpoint architecture. Dhebar (2013) suggests drawing up customer touchpoint blueprints which cover nine generic stages of a customer's purchase experience. Three are identified for the pre-purchase stage (problem awareness, problem analysis, solution selection), one for the purchase stage (purchase) and five for the post-purchase stage lower case letter (delivery, use, supplements, maintenance, disposal). For each of these touch points, organizations need to identify the functional and emotional needs of the customer and how touchpoints are interlinked. In recent years, *customer journey mapping* has become a popular tool to plan the customer's experience (Rosenbaum et al., 2017; Halvorsrud, Kvale, and Følstad, 2016). These journey maps visualize in detail how customers interact with a firm in time and across channels, platforms, and devices. However, the level of detail needs to be carefully considered by management. Aiming for maximum accuracy in the representation of a real experience by incorporating every nuance is not only difficult to implement and control, but also may lead to inflexibility to adjust to individual customer needs or situations. Instead, these maps should represent a typical experience for a pre-defined group of target customers that are

considered to be the most responsive and engaging customers for such a journey. Whether there is an optimal customer journey or not is still unanswered and is one of the key questions in the research agenda (Lemon and Verhoef, 2016).

2.2 Do (Implementation and standardization)

Compared to the number of publications on conceptualizing CXM and customer journeys, little contribution has been made to understand how to create a touch point journey orientation throughout the entire organization and how to implement the required processes and activities on site. Some case studies elaborate the design process in more detail by using customer feedback or insights from *customer journey design workshops* such as in the improvement of emotional experiences of the train journey (Van Hagen and Bron, 2014) or in the journey design for mobile services (Moon, Han, Chun, and Hong, 2016). However, the optimal way to implement CX is still a point of debate, although the ability to do so is considered to be a critical success factor. A careful elaboration of the technological, organizational, and process-oriented requirements is needed to implement customer journeys that meet or exceed customer expectations.

Gronroos (1988) has defined six criteria of good perceived service quality, which are professionalism and skills (ability to solve customer problems in a professional way), attitudes and behavior (genuine interest and concern to help the customer), accessibility and flexibility (ability to respond and adjust to the customer demands), reliability and trustworthiness (keep promises and perform in the best interest of the customer), recovery (taking corrective actions if something unpredictable happens), and reputation and credibility (provide a sense of trust and good image). As one can see, these criteria focus on human behavior and attitudes which are valid for personal interactions in a service encounter and which are under the control of the service provider. Due to the complexity and the multi-dimensional nature of CX, however, more research has to be done to identify criteria of positively perceived experiences, starting from the early stages of the consideration phase until long after a purchase has been made.

Another point to consider is how to maintain stability (reduce variability) in the customer journey, similar to quality control in product and service marketing, and if such stability is even desirable. The Japanese management principle of continuous improvement (*kaizen*) has proposed standards to reduce variability at operator work process level, consisting of indirect system standards (e.g., for skills, organization, information and communication) and direct standard operating procedures (SOPs) (Berger, 1997). However, applying these ideas to the field of CXM raises the question to what extent experiences should to be standardized in order to maintain a pre-defined level of “experience quality.” In the context of service marketing, on site store operations can be

standardized with the development of manuals and guidelines and executed with proper training of staff members, because the path customers take in the journey, and their expectations, are relatively straightforward. For example, customers visiting a fast food store have specific expectations towards the fast food chain regarding customer handling (e.g., waiting time, how and where to order) as well as customer treatment (e.g., friendliness of staff, greeting the customer), regardless of when or where a purchase is made. The definition of a “standard experience” becomes more difficult when considering the various possibilities of connecting touch points across all purchase stages and channels. One has to keep in mind that customers can now choose what path of the journey they want to take in order to engage with a product, service, or brand, and these paths can differ greatly.

2.3 Check (Assessing and monitoring experience)

“Check” is primarily concerned with how to assess and monitor customer experience in a way that takes its multidimensional nature into consideration. In fact, Lemon and Verhoef (2016) emphasize the “need for the development of scales for measuring customer experience across the entire customer journey” (p. 88). Ideally, such scales combined with the right communication platforms would enable managers to gather customer feedback data which can be used to continually interpret and enrich customer journeys. However, there is no consensus yet on good measurements and performance indicators.

The literature points to four established metrics and measurement methods. The first is *Customer Satisfaction* (CS) which is used in many industries at both aggregate and attribute level. CS points to the performance of a product, service, or sales experience assessed by a customer in comparison with a standard (Bolton and Drew, 1991; Spreng and Mackoy, 1996). However, one critical problem is that CS research focuses on specific stages of the customer journey or certain channels, such as after-sales (service satisfaction) and channel (channel satisfaction). CS can be used to measure the performance of individual touchpoints but is less suitable to analyze how they are perceived over time and as a narrative. The second established score is *Customer Loyalty* (CL), which assesses the intention of customers to repurchase a product, service or brand, or the likelihood that they will recommend it to friends or colleagues. Reichheld (2003) developed the *Net Promoter Score* (NPS) which became a popular metric across industries due to its simple structure consisting of a limited set of 8 survey questions. However, repurchase and recommendation is a forward-looking concept which may be used to make predictions for the next purchase cycle but provides few insights about the actual performance of customer journeys. More specifically, obtaining detail insights about the reasons for low or high loyalty levels is not possible without gathering

additional customer feedback. The third metric is *Customer Effort Score* (CES), which assesses the amount of work customers must do to get a problem solved in a service encounter (Dixon, Freeman, and Toman, 2010; Cardozo, 1965). CES has gained in popularity more recently and is used by market research companies as a basis to develop customer-oriented metrics. However, it tends to focus on problems in service and after-sales encounters, i.e., how difficult it is for customers to solve a problem in a service encounter. CES also lacks a well-defined theoretical framework, and the definition of “effort” is inconsistent in the literature since the term can have both positive and negative implications (Marutschke et al., 2019). Lastly, *Customer Engagement* (CE) is often mentioned in the context of CX, which is defined as the “intensity of an individual’s participation in and connection with an organization’s offerings and/or organizational activities” (Shiri, Sharon and Morgan, 2012, p. 127). In other words, this measurement method tries to identify to what extent customers proactively participate in high- or low-involvement offerings, as well as provider- or customer-initiated activities. This method might provide insights into the vividness of interactions between providers and customers, but is insufficient to provide an overall understanding of the customer journey across all purchase stages.

In the last few years, holistic measurement methods and metrics have been proposed by the omni-channel literature. For example, Huré, Picot-Coupey, and Ackermann (2017) include *seamlessness* (perception of fluidity and absence of barriers when moving from one channel to another) and *perceived consistency* (perceived coherence by consumers of the retailing mix of touch points) in their value model (Melero, Sese, and Verhoef, 2016; Picot-Coupey, Huré, and Piveteau, 2016; Verhoef, Kannan, and Inman, 2015). However, one has to note that multichannel research builds on the traditional purchase funnel which considers multiple phases a customer moves through in the process from search to purchase. A measurement capable of assessing the rich, multidimensional nature of experiences over time is still missing. Marutschke et al. (2019) propose a framework for an integrated and holistic approach to measuring challenges that impede the “fluency” of experiences and result in what is called “friction.” This concept incorporates insights from the engineering, consumer behavior and omni-channel literature, but still needs to be field-tested and validated for different types of customer journeys.

The myriad possibilities and paths customers may take in their journey makes it a challenging task to gain meaningful insights for improvement. Another issue is how much burden companies should put on customers to collect feedback. Nowadays, customers are already constantly asked to participate in various CS or CL surveys or to give ad-hoc feedback (e.g., pop-up windows in mobile apps). If not conducted carefully, a continuous multi-dimensional assessment of customer journeys would lead to long questionnaires and huge datasets, which may not only annoy customers but

also make it difficult for management to collect and analyze reliable data. The “check” step should therefore elaborate the reduction of respondent burden without compromising the quality of the feedback data. New technologies such as AI and blockchain technology may be the basis for developing more automatic and non-intrusive ways of data collection, which could provide insights on why and how certain customer journeys are inferior or superior. This is a promising research area which could give managers the tools to create a new generation of customer experience data and to seamlessly integrate them into the improvement cycle.

2.4 Act/Adjust (Incremental improvement and radical innovation of experiences)

The last step of the PDCA management cycle refers to the quality improvement (innovation) of customer journeys, i.e., the continuous adaptation of touch points and to meet the dynamic changes of customer needs. Homburg, Jozić, and Kuehnl (2017) point to several firms which created a system of touchpoint journey monitoring and which gather and interpret data from in-depth customer research to enrich or refine touch points.

To continuously adapt and improve customer journeys, companies need to correctly interpret feedback data and enrich them with other touch-point performance indicators as well as insights from experts, third parties and in-depth consumer research. For example, scholars raise the importance of using more in-depth approaches including *customer advisory boards* (Loudon and Carter, 2013) and observational data (Hui et al., 2013). The case studies mentioned above (Van Hagen and Bron, 2014, Moon et al., 2016) describe workshops in which customers are invited into the review process and discussion of improvement opportunities. This means that journeys are co-created with and co-tested by actual customers.

There are still open questions that need to be addressed in the Act/Adjust step. The CXM literature has provided little contribution to the proposal of an optimal organizational structure and interdepartmental communication for interpreting and improving CX. This question is particularly pressing as fast-paced technological progress, real-time big data processing for instantaneous marketing decisions, and growing expectations for fast and reliable services require a rapid improvement cycle. Companies need to develop teams that proactively seek opportunities for improvement, and which can rapidly design and test prototypes of new customer journeys. More research also needs to be done to understand when and how touchpoint journeys should be either incrementally adapted or radically renewed. Insights from such research would help companies to reorganize and optimally utilize teams that adapt or propose new journeys reliably.

3. Conclusion

The design, implementation, assessment and modification of customer journeys have become a key research challenge in the marketing literature. This paper takes a management oriented view on customer experiences and discusses research challenges regarding customer journeys in each step of the PDCA cycle. Insights from the discussion may give new impulse for researchers and practitioners in their quest to understand and create compelling, engaging and memorable experiences for customers.

References

- Baxendale, S., Macdonald, E. K., Wilson, H. N. (2015). The Impact of Different Touchpoints on Brand Consideration. *Journal of Retailing*, 91 (2), 235-253.
- Berger, A. (1997). Continuous improvement and kaizen: standardization and organizational designs. *Integrated Manufacturing Systems*, 8 (2), 110-117.
- Bolton, R. N., & Drew, J. H. (1991). A Multistage Model of Customers' Assessments of Service Quality and Value. *The Journal of Consumer Research*, 17(4), 375-384.
- Cardozo, R. N. (1965). An Experimental Study of Customer Effort, Expectation, and Satisfaction. *JMR, Journal of Marketing Research*, 2(3), 244-249.
- Dhebar, A. (2013). Toward a compelling customer touchpoint architecture. *Business Horizons*, 56, 199-205.
- Dixon, M., Freeman, K., & Toman, N. (2010). Stop Trying to Delight Your Customers. *Harvard Business Review, July-August Issue*.
- Gronroos, C. (1988). Service Quality: The Six Criteria of Good Perceived Service Quality. *Review of Business*, 9, 10-13.
- Halvorsrud, R., Kvale, K. and Følstad, A. (2016). Improving Service Quality through Customer Journey Analysis. *Journal of service theory and practice*, 26(6), 840-867.
- Homburg, C., Jozić, D., & Kuehnl, C. (2017). Customer experience management: Toward implementing an evolving marketing concept. *Journal of the Academy of Marketing Science*, 45(3), 377-401
- Hui, S. K., Huang, Y., Suher, J., & Inman, J. J. (2013). Deconstructing the “first moment of truth”: understanding unplanned consideration and purchase conversion using in-store video tracking. *Journal of Marketing Research*, 50(4), 445-462.
- Huré, E., Picot-Coupey, K. and Ackermann, C. L. (2017). Understanding omni-channel shopping value: A mixed-method study. *Journal of Retailing and Consumer Services*, 39, 314-330.
- Jeston, J. (2014): *Business Process Management - Practical Guidelines to Successful Implementations*. Routledge, London (3rd ed.).
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing*, 80, 69-96.
- Lodgaard E., Gamme I., Aasland K.E. (2013). Success Factors for PDCA as Continuous Improvement Method in Product Development. In: Emmanouilidis, C., Taisch, M., Kiritsis, D. (eds), *Advances in Production Management Systems. Competitive Manufacturing for Innovative Products and Services*. APMS 2012. IFIP Advances in Information and Communication Technology, 397. Springer, Berlin,

Heidelberg.

- Loudon, D. L. and Carter, T. (2013). *Customer advisory boards: a strategic tool for customer relationship building*. Routledge, New York.
- Marutschke, D., Gournelos, T. and Ray, S. (2019). Understanding Fluency and Friction in Customer Experience Management. In Granata, G., Moretta Tartaglione, A., & Tsiakis, T. (ed.) *Predicting Trends and Building Strategies for Consumer Engagement in Retail Environments*. Hershey, PA: IGI Global, 88-108.
- Melero, I., Sese, F. J. and Verhoef, P. C. (2016). Recasting the customer experience in today's omni-channel environment. *University Business Review*, 50, 18-37.
- Moon, H., Han, S. H., Chun, J. and Hong, S. W. (2016). A Design Process for a Customer Journey Map: A Case Study on Mobile Services. *Human Factors and Ergonomics in Manufacturing & Service Industries*, 26(4), 501-514.
- Padgett, D., and Allen, D. (1997). Communicating Experiences: A Narrative Approach to Creating Service Brand Image. *Journal of Advertising*, 26(4), 49-62.
- Pantano, E. and Milena, V. (2015). Engaging consumers on new integrated multichannel retail settings: challenges for retailers. *Journal of Retailing and Consumer Services*, 25, 106-114.
- Picot-Coupey, C., Huré, E. and Piveteau, L. (2016). Channel design to enrich customers' shopping experiences: synchronizing clicks with bricks in an omni-channel perspective — the direct optic case. *International Journal of Retail & Distribution Management*, 44(3), 336-368.
- Reichheld, F. F. (2003). The One Number You Need to Grow. *Harvard Business Review*, 81(December), 46-55.
- Rosenbaum, M. S., Otolara, M. L. and Ramírez, G.C. (2017). How to create a realistic customer journey map. *Business Horizons*, 60, 143-150.
- Shiri D. V., Sharon E. B. and Morgan, R. M. (2012). Customer Engagement: Exploring Customer Relationships Beyond Purchase. *Journal of Marketing Theory and Practice*, 20(2), 122-146.
- Smith, A. D. (2006). Technology Advancements for Service Marketing and Quality Improvement. *Services Marketing Quarterly*, 27(4), 99-113.
- Spreng, R. A., & Mackoy, R. D. (1996). An empirical examination of a model of perceived service quality and satisfaction. *Journal of Retailing*, 72(2), 201-214.
- Stein, A., and Ramaseshan, B. (2016). Towards the identification of customer experience touch point elements. *Journal of Retailing and Consumer Services*, 30, 8-19.
- Van Hagen, M. and Bron, P. (2014). Enhancing the experience of the train journey: changing the focus from satisfaction to emotional experience of customers. *Transportation Research Procedia*, 1(1), 253-263.
- Verhoef, P., Kannan, P. K. and Inman, J. J. (2015). From multi-channel retailing to omnichannel retailing: introduction to the special issue on multi-channel retailing. *Journal of Retailing*, 91 (2), 174-181.

Employment of Elderly Workers in Japan: the Limits of the Current System and Assessment of the Conditions for the Emergence of a New Dynamics

Philippe Debroux

Abstract

This paper draws on current literature and data from interviews undertaken from 2014 to 2017 in Japanese service and manufacturing large companies. The objective is to examine the emerging patterns in the structure and direction of employment of the middle-aged (over 50) and older workers (over 60) categories of workers. The paper assesses the current situation in view of the demographic, economic, societal and institutional changes that occurred in Japan since the 1980s. It exposes the reasons why the traditional policies and practices that had made of Japan a country considered a success in the management of those categories of workers are now socially and economically unsustainable. Then, it analyses how large companies attempt to re-create a dynamic in the HRM system that would maintain and create decent jobs for the large and heterogeneous group of over 50 workers who are linked to them by employment relations of diverse nature. The paper explains the threats companies and workers face in an environment that imposes strong socio-economic and institutional pressure and the opportunities that could also be created. It assesses the outcome of the companies' initiatives, their merits and limits to optimize both the contribution to the organization and the workers' employment conditions.

Keywords: Elderly workers, career plateau, pension eligibility, social security system, work-retirement practices.

Introduction

Japanese HRM system peculiarities should normally have led to poor labor market dynamics for older workers. Yet, evidence suggests that a mix of institutional, socio-cultural, economic and demographic reasons created a virtuous circle in their treatment that made of Japan a model of management of older male workers. Japan was able to maintain at work a very large number of

them in relatively good conditions for both parties during a period that started in the 1970s and continued until the last decade (Asao, 2017). It helped to mitigate the economic cost of the population aging, while providing for experienced and skilful human resources and giving opportunities to retired workers to remain included in society and economy.

Gradual transformation started in the 1980s alongside with institutional changes, such as the lift up of mandatory retirement to 60 and the beginning of the reform of the public pension system. The shift of large Japanese companies toward a shareholders' driven corporate governance system also challenged the tenets of the HRM system. The required transformation of organizational design (flattening of the organizations), career development, wage curves, training organization and objectives, began to impact the management of all workers, including the middle-aged and older segments (Yatabe, 2015).

Japanese public authorities and private organizations efforts prevented the entire system to collapse up until the beginning of the 2010 but those efforts could not stop rapidly declining efficiency and effectiveness thereafter. In Japan's 'superaged' society – with a large aged population coupled with a low fertility rate – the current system reveals unsustainable. It has to be reconsidered lest it hinders the fulfilment of Japanese society' economic, social and societal needs. Japan cannot afford to have old people not fully contributing to the economy. Unable to move smoothly towards definitive retirement they would strain furthermore the social security system and depress the already atone domestic demand. The concern goes beyond purely economic matter if aging is understood in a broader perspective that also encompasses social and societal dimensions: the duty to promote the well-being of the senior citizens in creating the conditions to keep them socially integrated and able to fulfil their social needs (Office of the Prime Minister, Government of Japan, 2017).

Institutional changes in the pension and retirement system, and the enactment of more stringent laws aiming to not only protect the working conditions of old workers but also to prolong employment up to a higher age now impose very strong pressure on companies. They face the imperative, requiring numerous trade-offs, of devising and implementing policies and practices that offer more and better – more stable, better paid, offering skill and knowledge evolution, and respecting work/life balance – employment to a rapidly increasing large population of middle-aged and older workers. Thus, more efficient and effective use of older workers' skills and experience, internally and externally, is a crucial imperative.

Working-age population is bound to decline significantly with complex potential positive and negative impact on traditional HRM policies and practices. This is particularly the case of the life-cycle contracts. It offers opportunities while creating threats. On the one hand, the demographic

trend and the diversification of companies' skills needs imply that companies may face increased difficulties in filling their vacancies. To continue focusing only on passive policies and practices to control the evolution of the aging workforce and to rely routinely on existing skills without offering new career and upskilling opportunities cannot satisfy the skilled older workers. It may be argued that, maybe for the first time in the post-war period, the skilled older workers will have enough bargaining power to obtain better working conditions in the framework of the internal labor market but also in the external labor market. As a result, while creating constraints, efforts to become employers of choice for the skilled segment of the older population can help to create competitive advantages provided that specific attractive monetary and non-monetary packages are offered to the more demanding old workers' segment.

On the other hand, companies face the immense challenge of managing an aged segment of the workforce not only much larger than before but also more heterogeneous in term of skills and knowledge, and life and professional expectations. Older workers cannot afford to be as accommodating as before because the stakes are higher for them. Until recently the large majority of them did not feel socially and economically threatened because they were sure that they would be able to retain decent standards of living after retirement. They are now becoming unsecure employees fearing of dropping out of the middle class and becoming working poor in a society where deselection is socially unacceptable and the safety net is thinner than in Western European welfare states (Martine, 2012). At the same time companies do not have the same level of external financial and functional flexibility: they are losing the latitude of picking and choosing the workers they want to retain and are under strong legal pressure to close the gap between treatment of the permanent and non-permanent workers (Debrox, 2016). Although higher mobility can be expected the large majority of old workers are likely to stay in the same company that worked for when they reached 60. The low level of up-to-date skills and knowledge during the later stage of the pre-retirement period is bound to prevent many of them to move out in good conditions. It forces companies to rethink the career management – training, evaluation, reward, career development – of the entire workforce, starting from the entry level in the organization.

The basis of the traditional virtuous circle

The co-existence of the internal labor market with spot markets for non-permanent workers Japanese organizations are flatter than before with much less layers of hierarchical positions. However, in relative term they are still relatively tall type of multilayers organizations. By and large, despite continuous adjustment companies continue to manage compensation and retirement policy of the permanent workforce based on deferred wage theory with earnings slopes steeper

than productivity increase (Lazear, 1979). Although much less realistic than before and bound to fade away with the advent of the new generation it still creates a quasi-bond that is repaid in the later stage of the career and is dependent upon sufficient effort (Jackson, 2016). Under the skill grading system (shokuno shikaku seido, the ranking according to which the content of the work is assumed to reflect the skill level) the promotion in the hierarchy (shoshin) is yet assumed to follow the variations in worker productivity growth. In about 85% of large companies this is still combined with mandatory retirement at 60 and in about 45% of them managers in the 50s continue to have their career evolution curtailed: they relinquish managerial responsibilities a few years before retirement, generally between 55 and 58 whatever their contribution to the organization and their capabilities to pursue a managerial career (Yatabe, 2017).

This is considered a return of the benefit of deferred wage system and the expectation of retirement allowance linked to the duration of tenure in the same company. The retirement allowance sharply increases when tenure is over 20 years. In the case of a full 38 years career in the same company it can amount to 10 to 15% of life earning in large companies (Sueki, 2013). With adjustment related to the sum calculation (see details later) it is still the norm in the immense majority of the large companies and continues to play an important role in the overall stability of the HRM system in maintaining long-term strong ties between the 2 parties (Sueki, 2016).

In counterpart, retired workers are paid a lower salary under less advantageous status than before retirement. Companies have always assumed (generally rightly) that most senior workers had low job and career expectations other than retire smoothly. Thus, they do not think that old workers who have enjoyed permanent employment until retirement are entitled to ask for more (Sueki, 2013). This way of thinking is reinforced by the dominant Japanese legal policy in this regard. It presupposes that workers who are re-hired after retirement would earn lower wages than before retirement with less duties and responsibility in counterpart. In some cases, the courts have judged that workers had to accept post-retirement lower wage despite unchanging scope of work. Conversely, there are also opposite judgements that considered the rehired working conditions so much lower that they were running against the spirit of the Act on Stabilization of Employment of Elderly Persons of 2004 (Hosokawa, 2018).

Although the issue is still strongly discussed and debated – especially in view of the gradual rise of the eligibility age to receive the public pension – the employment system has made possible to re-hire workers to perform menial jobs but also jobs very often similar to those performed before retirement, fitting with their capabilities. In both cases the cost for the company has been low while being also beneficial for the workers as long as the possibility existed to receive a part of public pension while working, with financial incentives partly compensating the income drop when it was

too large (Sueki, 2016).

As a result, workers were not discouraged to stay in the labor market, albeit under lower conditions. Conversely, employers were naturally considering older workers as valuable human resources during the whole post war period. However, there was little incentive to do more than exploiting existing assets. Companies assumed that the organizational identity of retired workers would remain strong enough to keep workers motivated and globally satisfied. So, in such a system, as long as the flow of new workers is strong enough to assure the smooth transition of generations, there is little urgency that older workers, especially white-collar workers, should still acquire new skills. The premises of the last 10 years before retirement and of post-retirement employment were that no specific incentive policy had to be devised. In fact, Japanese companies started in the 1990s to curtail training investment in general but more specifically of over 50 workers while smoothing their compensation curves to cope with lower growth and aging of the workforce (Sueki, 2016).

For the companies – and workers alike – it makes sense to promote younger managers and to devote training resources to the younger segments of the workforce. Early retirement from managerial functions has a management rationale: the opportunity to rejuvenate management in providing for internal promotion to younger managers while capping the cost of the deferred wage system. As a result, senior workers are not expected to benefit from career advancement and little alternative types of employment are thought about. Not only do they relinquish their managerial duties but they also do not progress anymore in the skill-grading system (Yatabe, 2017). A number of former managers are put into ‘specialized’ types of jobs (*senmon shoku*) where they can utilize skills and experience but many pre-retirement senior white-collar workers are in positions not reflecting professional skill, experience and expertise.

The workfare-centered HRM system

In general term workers’ selection decisions are made on the basis of past experiences, current perceptions, and future expectations. In this sense selection decisions are strategic from both the organization and employee perspectives. HRM practices, strategic decisions leading to staff selection and/or de-selection of workers are culture-specific in terms of the normative values, expectations and behaviours they elicit (Jackson and Debroux, 2016) in regards of work, career and characteristics of the psychological contract. Furthermore, it is pointed out that they are influenced by the formal and implicit institutionalized policies that, when made explicit, might be interpreted as artefacts or observable expressions of organizational cultures (Jackson, 2016). Other factors also combine to influence decisions relating to selection and/or de-selection, for example, the social perceptions of what is or is not available in the labor market – internal and external to the organiza-

tion and from both employees and organization viewpoints – for a particular work function or role. The fundamental question is to assess whether an individual worker appears replaceable or should be replaced and/or moved to another function or role with the same or different status going with similar or different compensation package (Jackson, 2016).

In this respect it can be argued that the management of Japanese middle-aged and older workers reflects socio-economic and cultural tendencies engrained into the national HRM system. Historically, Japan has always privileged workfare over welfare. Policy-makers encourage the unemployed or inactive back into jobs or urge those in employment to delay retiring. This mindset reflects societal norms concerning work and rights and duties in society that transcribe in typical behaviour and attitude. Surveys show that Japanese people desire to work as long as they can. The impact of social norms also appears in the restrictive unemployment allowance system (Seike, 1998) and in the seikatsu hogo (minimum income allowance for people who cannot assure their own financial needs) welfare system that imposes normative restrictions on life-style to those who can benefit from it.

The concern for the damage that long disconnection from the labor market could cause is economically rational in the internal labor market logic based on constant up-skilling and the important role of on-the-job type of learning in many occupations: people have to come back to work as soon as possible lest their productivity drops, subsequently hindering their progression in the hierarchy and in the skill-grading system. At the same time what could be perceived as social ‘free-riding’ is proscribed by the dominant group of reference (the company for the salaried persons) and by society, especially when public money is utilized.

This workfare policy has been cost efficient and effective for both the state and business for a long period of time between the 1970s and 1990s. As long as the corporate pyramid of age remains balanced it naturally fits with the establishment of clear boundaries between ‘younger to older’ workers one and the chronological advancement from one category to the other. People should stay at work as long as they can but without hindering the efficiency and effectiveness of the entire socio-economic system.

In fact, the drift toward career plateau, i.e., the difficulties to have access to higher managerial position in the organization, especially to move from kacho (section chief) to bucho (general manager) position is a perennial issue since the 1980s in Japanese companies. Research shows that opportunities to accede to managerial positions are likely to be even smaller in the years to come – moreover since a younger and younger age – and to move up in a specialized function is also expected to be increasingly difficult (Yatabe, 2017).

In such context early exit from managerial function has become even more important with

the flattening of the organizations during the last two decades that led to a smaller number of managerial slots. The external labor market for managerial jobs started to expand in the 1990s but it is only during this decade that it started to offer in sizeable number opportunities of equivalent career elsewhere for the workers who were definitively not selected in the promotion tournament system. As a result the perceived threat is the creation of a large segment of 'trapped' middle-aged workers reaching a career plateau. They would be difficult to motivate without much opportunity to be promoted. So, early exit from managerial position must be pursued in order to promote younger managers. However, the cost of under-optimizing managerial talent increases and the obligation to keep all wishing workers until they are 65 makes the schemes unsustainable if they do not go with up-dating of skills that keeps the old workers' contribution high enough to pay the wage they require to maintain good standards of living.

Likewise, the willingness to maintain the deferred wage system always justified the inferior treatment of the re-hired retired personnel. Retirement naturally means a relative weakening of the strong ties between employees and employers associated to the relationship-based psychological contract that is considered a traditional characteristic of Japanese organizations (Jackson, 2016). After retirement the 2 parties may still be entitled to believe they have a mutual commitment but it is also understood that it is more contingent than before retirement.

At many Japanese companies, the wages of permanent employees are determined not by the content of job duties but rather by age, years of service, experience, and general job competence coming from involvement in the constant diffusion of information and knowledge. When workers are outside of the skill-grading system the active relational psychological contract naturally becomes a passive one, mostly of transactional nature. The understanding is that once the retirement allowance has been paid the transactions are now based on time frame, scope of occupations, monetary valuation, and specificity and explicitness of promised type of job (Yatabe, 2017). Adjustment in working time, scope of work and work geographic location was generally sufficient to elicit loyalty and dedication from them after retirement and subsequent re-hiring as contractual worker. So, the conditions were fulfilled to have the internal labor market with deferred compensation and retirement allowance as incentive and the quasi-spot basis external labor market for retired workers with contemporaneous incentives co-exist for a while without strong strains. Companies did not have to think in term of efficiency wage (Shapiro and Stiglitz, 1984). Skirting was not an issue and smooth management of motivated retired workers at low cost was assured.

Emergence of a new institutional environment

The economic and societal imperative to optimize the old workers' assets

The underlying message of the recent laws is clearly spelled by the public authorities: Japan cannot under-optimize any kind of human resource. The period of casualization of the spot labor market to the point that about 40% of salaried people are not in regular employment is over: the government intends to reverse the trend (Office of the Prime Minister, Government of Japan, 2017). The changes concern all categories of workers, with strong emphasis put on female labor but the focus on old workers' employment is also significant. Japan's public authorities' recent efforts to prolong or sustain working life reflect a concept of aging that is encompassed in the 'ageless society' philosophy they promote in line with the European 'Active Ageing' initiatives (World Bank Group, 2016). The 'ageless society' concept aims to instil dynamism in the elderly labor market in focusing on employability and optimizing of the integration of elderly people in economic and social life. No upper limit should be decided in setting the threshold between working and retirement age.

Since April 2013 male workers' eligibility age for the fixed part of public pension is 65 and in 2018 it became the same for female workers. The eligibility age for the earning-related part of the pension will move up gradually from 2016 onwards to reach 65 for all organizations in 2025 (MHLW, 2014). Since the same year 2013 companies are obliged to keep on their payroll until age 65 all workers wishing to continue working (MHLW, 2014).

The raising of the age of pension eligibility means that the income of older workers between 60 and 65 would decline significantly without higher public support if the employers do not pay the difference. Even if one part of it can still be received until 2025, in view of the relatively low pension level the option of completely leaving the labor market during those 5 years is not a realistic option for the large majority of salaried people (Sueki, 2016). To increase public wage support between 60 and 65 is very difficult in view of the public deficit and the trend is rather more to curtail it. In such conditions retired workers cannot easily accept under par wage (OECD, 2013).

It requires the continuation of access to training up until 60, so that re-employment over 60 will be facilitated for the benefit of both parties. Workers will need treatment respecting the ILO No. 100 Convention on equal wage for equal work, the implementation in earnest of the law proscribing age discrimination, and the respect of the right to a meaningful job until complete retirement at 65 or beyond. As mentioned earlier many Japanese people are not only able to work longer but prefer and choose to work. However, for economic but also societal reasons, they want a decent work as defined by the ILO, i.e., giving the opportunity to fulfil their self-esteem and self-achievement needs besides the economic ones (Yanagisawa, 2005). Recent studies show that retired workers are very reluctant to accept jobs that they consider unworthy of their skills and levels (Yatabe, 2017).

Moreover, care of parents is no more the quasi exclusive duty of women. Work/life balance policies also concern male old workers who have to take care of their parents in a country where more than 5 million people are over 80 (OECD, 2015). The enactment in the year 2000 of the Law on Care Insurance makes mandatory the contribution of everybody over 40 to an insurance that would serve to cover part of the care cost in old age (Tsutsumi, 2015). However, in order to curtail the cost of residential care the emphasis of the law (through the incentive policy) shifts toward home care. About 100000 people – mostly middle-aged salaried people in the 40s but also people in the 50s and 60s – are obliged to stop working every year because of parents' care (Tsutsumi, 2015). This calls for companies to give the opportunity to older workers to continue to work while keeping decent standards of living and fulfilling their duties to the family.

Acceptable level of motivation is likely to be difficult to maintain if many workers stay in the labor market purely out of financial necessity and work full-time without being able to keep decent living standards. Companies acknowledge that they could end up with many elderly 'trapped' workers with low commitment and productivity. This is all the more a plausible hypothesis because of the traditional emphasis on acquisition of firm-specific skills that makes Japanese workers (especially the current generation of older workers) much less mobile than those in other advanced economies. Added to the already mentioned relatively low level of investment in training of the over 50 years old workers that would increase their mobility in the labor market before and after mandatory retirement and to have a wider career choice the chances for reemployment of retired people are not good and the duration of unemployment is long (Sueki, 2016).

Up until the end of the century transferring redundant workers in good conditions in another organization gave the opportunity to continue to train the over 50 remaining workers (especially blue-collar workers) and thus to have them maintaining appropriate level of skill and ability necessary to pursue high level activities after retirement. But large companies have looser relationships with Japanese suppliers in globalized supply. Many suppliers are more reluctant to recruit over 50 workers whose work experience and knowledge may not fit to their needs and/or are obsolete and whose coordinating role between the 2 organizations is less important than before. This is true in manufacturing but also in the service sectors where long-term relationship with customers is a key success factor (Nabeta, 2011). So, just at the time employers are legally obliged to keep a larger number of workers Japanese companies have less opportunity to make a selection that fits their needs and have to take care of many workers with obsolete skills.

Results of the field survey

Data were collected by means of literature review and through survey interviews among managers in public organizations and among Japanese and non-Japanese HRM academic specialists. Data also originate from interviews made from 2014 to 2017 by the author in 12 large Japanese companies in manufacturing and service industries.

Semi-structured interviews (each of 50 to 60 minutes) in HRM departments and of 3 line managers have been performed in each company. The questions focused on eliciting data about the manner the companies attempt to manage their middle-aged and older workers.

The gradual shift towards individualization of career and compensation

Adoption of pay for performance systems since the 1990s goes with stricter assessment of actual mastering of skills reflected in individual performance. Annualization schemes also permit to link more accurately compensation and performance and to cap the labor cost (Debroux, 2016). 8 respondent companies have annualized schemes and no bonus is paid anymore in the case of managers in 5 of them. In all the 12 companies compensation of workers who will reach 50 in the 10 to 15 years to come is expected to be more strongly linked to productivity growth than in the case of the previous generations, and this from an earlier stage of the career. The retirement allowance remains a lump sum paid at time of retirement (Sueki, 2016) but it is calculated in a growing number of companies according to a point-based system that links the final sum to individual performance. It helps to cap its cost but it can also create significant sum differential in the total of the career that is expected to make of the retirement allowance a more dynamic incentive tool than it is now (Sueki, 2016). The point system is adopted in 3 of the companies but they declare that it is still too recent to see the financial and motivational impact of the policy. The companies do not expect that it will be significant in the short and medium terms.

The shift towards a shareholders' driven corporate governance, inducing pressure for higher ROE and ROI drive companies to focus on projects that are more short-term oriented and focused. Overall Japanese companies evaluate more strictly the efficiency and effectiveness of the programs, select more carefully the recipient, and there is more emphasis on custom-made off-the-job learning emphasizing skill specialization (Debroux, 2016). This is also observed in almost all respondent companies. As a result, they anticipate that when workers, including white-collar ones, will enter in the 50s they will master a portfolio of more specialized skills that can still be used by the company than the current generation. Moreover, they point out that a very important aspect of the shift toward specialization is that workers will be expected to have built up higher capability of learning new skills.

In a country where the HR department traditionally plays a central role in career management this concern reflects the viewpoint in many companies, encouraged by government and the leading employer federation, the Keidanren that higher workers' involvement in their career is necessary. It may mean participation to seminars and study groups inside and outside the organization, to off-the-job training programs to polish existing skills but also to acquire new ones that may be disconnected from present activities (Yatabe, 2017). It re-joins the position expressed by Prime Minister Abe's recent employment reforms that put strong emphasis on individualistic work ethics (Kojima et al., 2017) and to have the mindset to manage their career more autonomously (Yatabe, 2017).

The shift towards more diversified work patterns

For certain types of manufacturing jobs specialized skills and know-how facilitate the integration of older workers in inter-generational teams and thus maintain rewarding jobs for a relatively small number of them. In all 5 respondent manufacturing companies, HR managers attempt to mix younger and older workers in production teams. The latter ones are mostly pre-retirement workers that companies expect to continue to work after mandatory retirement. Specific equipment is developed for them (and also for female workers) and the lay-out facilities are revamped in order to allow them to work with less physical efforts. Likewise working time and standards are adjusted in order to fit with their characteristics. The respondent companies recognize that for a sizeable number of jobs redesigned for old workers the initiatives are short or medium term. It is aimed to facilitate smooth slowdown towards complete retirement while filling current gaps in the labor market. Many manufacturing and service jobs will disappear when the current generation retires for good or will have to be completely redesigned with different competency frameworks. Know-how linked to experience is still precious for some jobs, but the overall importance is decreasing. Respondent companies' opinion is that the number of old workers is likely to increase in the years to come but a long-term strategy to keep older workers at work until 65 and beyond can only result from HRM transformation starting in the early stages of the career. Emphasis on a more individualized approach of learning is likely to accelerate.

Conversely, they expect that such tendency will facilitate the transfer to other organizations of those whose skills do not fit with the business strategy and the recruitment of needed workers in the external labor market. This makes capability building in the HRM departments and among lines managers more important to manage the denser and more diversified in-out flow of workers at all stages of the HRM process: recruitment and selection, career counselling, devising of adequate training programs, dispatching in the right place in the organization, appropriate scope of work, evaluation and reward package. The HRM department is expected to play a more active role of

strategic partner in charge of devising and implementing the policies alongside line managers.

In general term HR managers commonly assume a strategic imperative to retain workers for as long as they are assessed to be assets rather than costs. For this reason, the HR managers are challenged both to select and to continue re-selecting (retaining) value-adding workers effectively. The newly enacted laws dealing with age discrimination and protection of non-permanent workers render more difficult to passively enjoy the vast spot labor market. However, the respondent companies believe that the Japanese government is unlikely to move up the retirement age to 65 in the short-term future (although they already prepare for it) because it does not want to impose too strong pressure on companies during this transitory period.

Therefore, companies expect they will be able to retain a degree of temporal, functional and financial flexibility because the latitude to change the status and treatment after retirement at 60 will remain in place. They are confident that they will not have to offer large wage rise. The higher cost of the post-retirement workers can be somehow covered by the lowering of the treatment of the pre-retirement workers. Better treatment of non-permanent workers can be based on fringe benefits, coverage of transportation cost, and other measures that can be negotiated on an individual basis.

The need for stricter career follow-up and selection

For many old workers training programs to have them acquire up-to-date skills and knowledge are not only costly but also risky because of the higher unpredictability of the physiological and psychological dimensions for this segment of the workforce than for the other workers on-going monitoring (career counselling, assessment of performance and of fitness) (Yatabe, 2017). For those reasons and in view of the wide variety of needs and life/career expectations of the elderly workers the respondent companies point out that selection and monitoring have to start about 10 years before retirement and proceed on a permanent basis in order to mitigate the cost and difficulty of long-term planning. In the 3 finance and insurance companies hearing and counselling activities are organized every year for the employees aged 55 and over. It is also true in the 5 manufacturing companies but only every 2 years from 56 years old onward. Career counselling in the other companies is also important but it is organized on an ad hoc basis. All respondent companies declare that they want to know as precisely as possible the learning potential but also the career intention of the prospects. It is important in order to understand to what extent they will be able to utilize them after mandatory retirement: workplace location, working hours, scope of duties, etc, and the type of training they might need.

New types of work patterns and related incentives

All respondent companies recognize that new types of monetary and non-monetary incentives are needed, alongside with more diversified patterns of work, to maintain high task and organizational commitment from older workers. 10 out of the total of respondent companies have adopted varied forms of work patterns of intrapreneurial (shantai venture) and entrepreneurial (shagai venture) nature that encourage workers to think about a 'second career' outside of the company. 80% of them have initiated the programs in the 1990s. It started with internal cafeteria-type of training unrelated to the actual jobs performed by the workers. Interested workers were allowed to devote time to participate. It gradually enlarged to a wide array of off-the-job programs in line with the deregulation drive in the 1990s that became a key element of government's objective of increasing external labor mobility, especially of middle-aged and elderly workers. Through revision of the Temporary Agency Work in 1994 occupational limitations for workers above 60 were almost completely removed. Only activities that are not permitted remained listed in the law (Ministry of Labor, 1994).

Upscaling and enlarging of the scope of these 'second career' types of programmes is generally done in collaboration with public (national but especially local) authorities and private organizations such as the employers' organizations and chambers of commerce. In line with the initiatives taken by the United Kingdom and Scandinavian countries Japan has reinforced its public employment services in the last decade. It has been done in opening offices that support older job seekers and incumbent workers through miscellaneous programs such as: Career Exchange Plazas to help middle-aged and older white-collar job seekers work in close cooperation with Talent Banks; Vocational Experience Utilization Centers to provide free placement services and dispatching services for over 60 personnel; Industry Employment Security Centers to provide matching services to middle-aged or older workers; elderly Employment Support Centers/Corners in all prefectures to provide assistance to middle-aged and older workers to develop career life plans.

It is observed that the self-employment option is said to attract a small number of pre-retirement workers in large companies, especially if the specialized training they undertake goes alongside with valuable professional certifications (Yatabe, 2017). Nevertheless, the respondent companies expect the immense majority of their over 50 workers to remain salaried persons up until retirement. The creation of own job will never involve more than a small minority (less than 5% overall) of them. In some sectors, for example in the financial and insurance businesses elderly specialized retirees with the right certifications and portfolio of relationships have the possibility to start a business on their own (or to work as free-lancer working for the former employer) and they most often do not remain in the company after 60. Opportunities may also exist in IT and other

technical fields but those traditionally offered in retailing and personnel services that traditionally represent the bulk of self-employment projects are much more limited than before, although some respondent companies encourage participation to training in franchise or NPO management. Internal ventures with experienced workers engaged in training, education and guidance of young employees may be promising, for example in the companies recruiting foreign workers but it cannot be expected to ever become a significant job creation avenue.

Respondent companies implement multi-pronged policies and practices, some being just stop-gap measures to cover HR gaps in specific jobs and divisions while others might offer longer term and deeper perspectives. This is in line with what had been observed previously in another study (Debroux, 2016). They share the view that in current circumstances about 80% of over 60 old workers – especially white collar workers but also a large number of blue collar workers because of the drastic changes in manufacturing process that render obsolete the skills of experienced workers – become ‘cost’ rather than asset if companies have to assure that compensation (even without all kinds of fringe benefits) amounts to about 70% of pre-retirement level.

With the exception of the 3 respondent companies which decided to move up retirement at 65 the others’ position is that it would be counterproductive to do so in the present environment. They believe that mandatory retirement at 65 could accelerate the move away from regular employment before retirement if it does not go with a broader revamping of the regulatory environment, including notably the possibility of laying-off pre-retirement regular workers. It would replace the lost opportunity to transfer workers to affiliate companies and would give flexibility to select employees fitting their needs with more certainty. After retirement it would be possible to offer them better work and thus better pay conditions.

The 3 respondent companies with retirement at 65 have developed similar strategies. It is pointed out in general term that in view of the wide disparity in terms of business needs, skill level, physical capabilities, and variety of life-style and time availability across the age segment in question, many over 60 workers are likely to continue to shift to non-regular status after retirement (Yatabe, 2015). This is observed in these 3 respondent companies as well. With no difference with the other respondent companies many workers do not want or cannot work full-time. So, traditional part-time jobs are maintained in usual spot market conditions. At the same time, in order to have the full-time workers maintain an income close to 70% of the pre-retirement income the 3 companies adopt a system according to which part of the wage of the pre-retired over 55 workers is deduced every month. So, it becomes a kind of pre-retirement forced saving with workers paying in advance part of the salary they will receive after retirement. In fact, in doing so they just anticipated on what the government intends to do with the new law on equal wage for equal work: the treatment of all

permanent workers will be lowered, so that it covers the higher cost of the retired non-permanent ones. In this respect too, the policy of the respondent companies is in line with what Nabeta (2016) had observed in another study.

Law significantly facilitating lay-off are unlikely to emerge in Japan in the foreseeable future because of the strong social embedment of the long-term job guarantee social norm but also because of the recognition that neither the state nor companies and the workers are ready to cope with such change nowadays. Gradual evolution can be expected with the emergence of new working status that will provide for financial, temporal and functional flexibility while diluting the rigid regular/non-regular status dichotomy. 'Limited' (in some dimensions) but regular types of jobs with some access (albeit different from 'non-limited' employment) to bonus, fringe benefits, and equal salary for equivalent job exist for a long time already but it covers a very large variety of status that entertain legal uncertainty. So, the government intends to give a legal status to the concept of 'limited regular' employment (Debroux, 2016). The job limitations make possible to compromise over wage and fringe benefits if the terms of the deal are flexible but nonetheless legally protected. It could make regular retirement employment more affordable to companies while responding to the employees' needs for smooth transition to definitive retirement. One point that remains unclear is related to access to training, meaning new skills and possible career evolution of the limited schemes.

In the 3 respondent companies with retirement at 65 a mix of several working conditions is observed. The programs focus on geographic restrictions, work scope and time. It goes with leave from the company and re-employment with a 5 years contract in a subsidiary where the workers are expected to stay until definitive retirement. Wage level differs according to the region in which elderly workers are re-employed (workplace locations are divided into groups according to the cost of living), and according to the scope of work. It is in the range of 65 to 75 % of pre-retirement wage, a level comparable to that of the compensation paid to non-regular employees receiving financial incentives and part of the pension. In the 3 companies the retirement allowance is paid at 60. Thus, it does not include the last 5 years of the career. Bonus is paid in the 3 companies, but it is about 4 times lower than before 60. Working time, scope of work, geographic location are all adjusted according to the needs of the 2 parties. There are no specific training programs for those workers although they may have to undertake some in the framework of the work. So far, companies declare workers are not expressing particular desire to acquire new skills or to see their career evolving. The key concern is related to transfer in a workplace fitting with the needs of both parties, as well as working hours in order to satisfy the need for care of elder parents. The key point that is discussed with trade unions is maintaining respect for internal equity in the setting of different wage levels on the grounds of the varied job limitations. This expectation leads to rules of arbitrage

that are kept as stable and simple as possible as explained in other studies (Debroux, 2016; Nabeta, 2016).

As expected, the gap in current and potential capabilities among old workers is said to lead to the emergence of a dichotomic market. Respondent companies believe they will keep struggling in the following 10 to 15 years to utilize effectively many old workers who are redundant but have little mobility in the labor market. They are globally appreciative regarding older workers' loyalty, dependability, and judgment. However, they make rather negative assessments of attributes that could be considered 'fluid' abilities such as technological competence (including but not limited to IT literacy) and functional flexibility, which are viewed as critical in today's workforce and may be more important than the 'crystallized' abilities based on experience that workers have accumulated overtime.

In the Japanese service sectors improvement is linked to the adoption of technologies, including in the fields of the service-related respondent companies (Ueda, 2012). Increasingly higher ICT literacy is required and understanding of the new (mostly) internet-driven business models is a must. It may take about 10 years before more specialized white-collar workers replace the current over 50 generalists. However, the manufacturing companies add that appropriate skills and experience is also increasingly a concern in the case of elderly blue-collar workers. Many of them have skills and experience that are not suitable for the new types of occupation in their own field.

Conversely, demographic trends mean that the critical assessment of perceived 'asset value' is bound to become a two-ways street in a labor market where skilled older workers are likely to benefit from a seller labor market in certain sectors. This may lead to their decision to stay or quit according to what the organization offer in monetary and non-monetary terms, including evolving career and attractiveness of the job (Debroux, 2016; Jackson, 2016). As mentioned before the weight of the remaining organizational identity coupled with the firm-specific portfolio of skills were generally strong enough among retired workers to elicit for a while motivation and acceptance of lower working conditions in their former employer's premises. This period is probably over for the majority of them because of the higher mobility in the labor market and the gradual erosion of the long-term trust and loyalty after 20 years of wage stagnation, the scarcity of transfer and dispatching to jobs linked to skill development, the placement in non-core divisions or jobs in the organization or in jobs inappropriate to the skill level (Yatabe, 2017). Moreover, as pointed out before more older workers are likely to be recruited from outside. Thus companies have to be prepared to an on-going mutual 're-selection' process, during which each party critically re-assesses the asset value of continuing the relationship. They have to be ready to become 'employer of choice' for the best old workers in the market. It requires to think in term of efficiency wage to select, keep and optimize

the talent of the best old workers.

Indeed, lest they may suffer from skill gap companies may have to offer more attractive contracts offering longer-term job guarantee, career evolution and higher content types of job. It becomes a key condition to retain the best old workers and attract prospects in the external labor market.

Conclusions

While pursuing a pro-active workfare policy, Japanese authorities and companies have never really thought until the last decade about policies that would favour old workers' employment in good conditions (decent wage, consideration of age limitation in term of working hours, mobility, scope of work) and a smooth transition toward retirement. The low mandatory retirement age that was combined with financial incentive have made many companies complacent in this respect. In addition to the challenges regarding labor policy, changes in the labor supply structure (overall reduction in the labor force on the one hand, increase of women and older people in the labor market on the other) urge public authorities and companies to consider utilizing elderly workers more efficiently and effectively as part of a new employment deal.

If non-permanent work conditions can provide decent work treatment to a large number of retired people, and flexible but regular types of jobs can be created for some of them, convergence with other advanced countries could occur in regard of the mandatory retirement age. In macro-economic term it would put Japan in the mainstream of the advanced countries where retirement age gradually shifts towards 67 and even 70 years old (World Bank Group, 2016). In micro-economic term it would mean that the talent of the older workers is at last better utilized. From a social and societal viewpoint it would mean that older workers can contribute more fully to society while continuing to enjoy decent standards of living.

References

- Asao, Y. (2017) Basic Information on Recent Elderly Employment Trends in Japan, *Japan Labor Issues*, vol.1, no.2, October 2017.
- Debroux, P. (2016) Elderly workers in Japan, in K. Jackson and P. Debroux (eds), *Management Review Special Number*, 2016, pp. 128-149.
- Hosokawa, R. (2018) Are wage disparities unreasonable and illegal? Between fixed-term contract employees rehired after retirement and regular employees, *Japan Labor Issues*, December 2018, pp. 13-17.
- Jackson, K. (2016) Comparing HRM responses to ageing societies in Germany and Japan: towards a new research agenda, in K. Jackson and P. Debroux (eds), *Management Review Special Number*, 2016, pp. 112-127.

- Jackson, K. and P. Debroux (2016) HRM responses to ageing societies in Germany and Japan: contexts for comparison, in K. Jackson and P. Debroux (eds), *Management Review Special Number*, 2016, pp. 5-12.
- Kojima, S., S. North, and C. Weathers (2017) Abe Shinzo's Campaign to Reform the Japanese Way of Work, *The Asia-Pacific Journal, Japan Focus*, pp. 1-17.
- Lazear, E. P. (1979) Why is there Mandatory Retirement? *The Journal of Political Economy*, Vol. 81, No. 6, 1261-1284.
- Martine, J. (2012) L'emploi des seniors au Japon : un état des lieux du contexte et des pratiques, *Ebisu*, 48, 2012, pp. 173-199.
- Ministry of Health, Labor and Welfare (MHLW) (2014) Pension eligibility, www.mhlw.go.jp/dl/11e.pdf
- Ministry of Labor (1994) Rodo Hakusho: koyo ante i o kiban toshita yutakana kinrosha seikatsu e no kadai (Labor white Paper: issues to achieve an affluent life for workers based on the employment security), Tokyo: Japan Institute of Labor.
- Nabeta, S. (2011) 60 Saicho Shain no Sekkyoku Katsuyou Jirei (Cases of active utilization of the over 60 employees), *Rosei Jiho*, No. 3799, June 10, pp. 10-16.
- Nabeta, S. (2016) 65 sai teinen sei ni okeru shogu no jissai, *Rosei Jiho*, No. 3906, March 2016.
- OECD (2013) *Pensions at a glance*, Paris: Organisation for Economic Cooperation and Development.
- OECD (2015) *Economic Survey of Japan*, Paris: Organisation for Economic Cooperation and Development.
- Office of the Prime Minister, Government of Japan (2017) Action Plan for the Realization of Work Style Reform, decided by Council for the Realization of Work Style Reform. Provisional English Translation. March 28. http://www.kantei.go.jp/jp/singi/hatarakikata/pdf/The_Action_Plan_for_the_Realization_of_Work_Style_Reform.pdf
- Seike, A. (1998) *Shogai Geneki Shakai no Joken* (Conditions of creation of a life-active people' society), Tokyo: Chukoshinsho.
- Shapiro, C., and Stiglitz, J. E. (1984). Equilibrium Unemployment as a Workers Discipline Device. *American Economic Review*, pp. 433-444.
- Sueki, N. (2013) Jitsurei ni miru Chingin Seido Kaikaku no Gutaisaku (Concrete policy of the wage reform seen from concrete cases), *Chingin – Romu Tsushin*, Vol. 1, No. 5, pp. 3-7.
- Sueki, N. (2016) Ageing society and evolving wage systems in Japan, in K. Jackson and P. Debroux (eds), *Management Review Special Number*, 2016, pp. 81-96.
- Tsutsumi, S. (2015) Long-term Care Insurance, Japan International Cooperation Agency, <http://www.jica.go.jp>
- Ueda, K. (2012) Deleveraging and Monetary Policy: Japan since the 1990s and the United States since 2007, *Journal of Economic Perspectives*, Vol. 26, No. 3, pp. 177-201.
- World Bank Group (2016) *Live Long and Prosper : Aging in East Asia and Pacific*, The World Bank.
- Yanagisawa, F. (2005) Waga kuni oyobi Europa ni Okeru Koreisha Koyo Taisaku (Employment policies for elderlies in Japan and in Europe), www.keizaireport.com, Happy Gen Kokuritsu Kokkai Toshokan, 2005-12-01.
- Yatabe, K. (2015) Nihon Kigyo ni okeru Jinji Tokyu Seido to Yakushoku Shoshin Seido no Jittai, *Seikei Kenkyu*, Vol. 52, No. 3, December 2015.
- Yatabe, K. (2017) Nihon Kigyo ni okeru Teinen Seido no Jittai to Mondai Ten, *Seikei Kenkyu*, Vol. 53, No. 4, March 2017.

The Basics of Business Ethics and CSR in JAPAN

Hiroo Takahashi

Abstract

Ethics chiefly pertain to our inner sense of value or moral standards which are outside the control of legal system. Ethics concern the norm coming from the inside of people, namely the dictates of conscience. They are not social norms set up outside, but imperatives coming from deep down in each person's heart which is unknown to anybody. Business ethics is not unrelated to social norm, ethics constitutes the inner value of the organization; ethics and social norm co-exist.

The problem here is that both the ethics and social norms change with progress in economic activities. This paper will grasp the business ethics from the view of evolution of social norm, also market economy. First, the basics of business ethics, second, the concept of business ethics, third, changing of social norm, fourth, the trend of CSR & CSV, fifth, diversity management.

Key Words:

Public criticism, fair business activities, social justice, corporate property, tangible assets-visible property, intangible assets-invisible property, common sense, dictates of conscience, code of conduct, group-think, social norms, organization-priority sentiments, ethics standard, legal standard, certain rules, huddling, market economy, Copenhagen Declaration, Global Compact, CSV, diversity, surface-level diversity, deep-level diversity.

1. The Basics of Business Ethics

(1) The Relationship Between Business and Society

In 1993, a group of businessmen and academic scholars including me started the Japan Society for Business Ethics (JABES). Interest in Business Ethics (in Japanese "Kigyo Rinri") in Japan was first aroused by a series of scandals in banking and securities business circles which occurred during the bubble economy in the latter half of the 1980s. The way in which the management of these industries behaved at that time exposed them to severe public criticism. What was questioned then concerned the fundamental place of a corporation in the community. It goes without saying that the primary purpose of a business is to achieve a successful economic performance. However

other questions are: What are corporations for in the first place? And have their profits been earned by fair business activities with regard to social justice? Business Ethics deals with the relationship between businesses and society, or between corporations and the people. But it is questionable as to whether the industrial world has really shown any deep appreciation of business ethics and understands its importance. Since achieving successful economic performance is a prior objective of businesses, sacrificing other things for this purpose has been more often praised than criticized. In other words, unethical decision making has sometimes been justified for the sake of profits.

(2) Ethics as an Intangible Assets

In recent years, however, the way of looking at these issues in Japan has become much more strict. Thus, if a business undertakes an unethical action which might adversely affect the community or the public good, and thereby becomes a target of public criticism, the pecuniary compensation to repair the damage could be enormous.

If a simple plus/minus scale is applied to economic performance and the cost of doing business, the cost of compensation for the damage brought about by unethical business practices could be a significant minus. If a company then fails to pay compensation, it must be prepared, in the worst case, to end up in bankruptcy or dissolution.

Corporate property can be divided into two groups; tangible assets-visible property, such as human resources, goods, and money, And intangible assets-invisible property such as information, management know-how and technology. From this point of view, business ethics, like goodwill, should be classified as invisible property. While visible property can be bought or sold quickly, invisible assets cannot be created easily, but is building up through daily business activities, and fostered over a long period of time. Business ethics is irreplaceable, unlike visible property, which is universally purchasable.

2. The Concept of Business Ethics

(1) The Concept of Business Ethics

Ethics is derived from the Greek term which means “character”. Because most economic activity now takes place through organizations, today we are interested less in the character of individual businessman than in the decision-making process of business firms. Consequently, the terms “corporate social responsibility” and “business ethics” tend to be used almost interchangeably. (David Vogel, Professor of Business Ethics, University of California at Berkeley).

The subject matter of chiefly pertain to our inner sense of value or moral standards which are outside the control of the legal system. This is where the sense of the value of the top executive,

directors, managers and employees at all level of organizations become important.

While public morality, religions, and the law involve norms imposed from the outside, ethics concerns the norms coming from the inside of people, namely the dictates of conscience. They are not social norms set up outside, but imperatives coming from deep down in each person's heart which is unknown to anybody.

What can be said from the above-mentioned view of the difference between ethics and the law is that the former deals with the realm of the people's hearts, which is not often covered by the latter.

(2) Individual Ethics and Organizational Ethics

Then what are the norms of behavior dictated by conscience? Are personal norms of behavior equal to a corporate code of conduct? There should be a difference between the norms of behavior for individuals and those for members of a group. People belonging to a group are supposed to act to the group's objective, so even if an individual has a high-flown sense of ethics, he or she may sometimes be expected to act in accordance with the norms of conduct expected of the group. In an organization, the norms of conduct expected of its members sometimes come before a personal sense of ethics, even though the latter is the dictate of each person's conscience.

Organization-priority or company-priority sentiments, "group-think," tend to cause scandals in an organization where the ethical behavior of individuals is not respected. As has been proven in psychological experiments (Solomon Asch, "Conformity Experiment"), it is not easy for an individual to maintain independence of decision making in a group, more often than not a person is affected by the majority in the organization through the corporate code of conduct and how it leads to a unified decision in the entire organizations: this involves the principles or the philosophy of the organization as well as the leadership of its top-level executives. An invisible corporate climate or culture is cultivated by the code of conduct of the organization and predominates over individual norms of behavior. Since business ethics pertain to the organization's norms of conduct, it is different from the norms of behavior of individuals. Business ethics influences the extent to which the corporate creed, philosophy, and sense of social mission permeate the whole organization, in turn supporting the code of conduct.

(3) The Relationship Between Ethical and Legal Standards

In contrast to the law, there is no external compulsion for people to comply with ethics. Does this mean that there is no criterion or measure for norms of behavior? No, it does not. The norms of behavior relate to common sense judgements, that is the way of thinking held in common by the

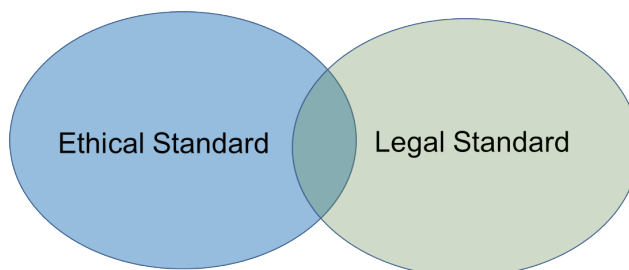
public, which serves as a model for our decision making. Social norms, in a nutshell, are common sense decisions, composed of habits and customs long cultivated in society. This being the case, ethics can be regarded as having much in common with social norms. Although social norms have no compulsory power, those who run counter to them are likely to suffer tangible or intangible censure or sanctions: a tangible example of that is the law. It is a matter of common knowledge that business activities today are under some restrictions or other, both tangible and intangible.

Here we need to think about what the law is. First of all, is it something so esoteric as to be far removed from our daily life? The essential purpose of the law is to maintain public peace and order. It is something that reflects the thinking shared by the public. The American jury system is based on the tradition of common sense judgments by the public. A similar system is being introduced into Japan, and the people have been participating in trials from 2009. In America, it is citizens who decide whether or not the suspect is guilty, while professional judges assess the severity of the sentence to be passed.

Since judgements by law are made judgment by people, and its interpretation will be divided; where to draw a line between ethics and the law will differ from one person to another. Any existing corporate organization reveals glimpses of the essence of the norms underlying its conduct. Business ethics is not unrelated to social norms, although the former constitutes the inner value of the organization; ethics and social norms co-exist. The problem here is that both the law and social norms change with the times or with progress in economic activities. New laws have been enacted successively in Japan in recent years to tackle questions of environmental conservation, improvement in working conditions, the globalization of business activities, etc.; new laws deal with sexual harassment, equal employment opportunity, PL (Product Liability), derivative actions, unlawful employment of immigrants, and so on. These indicate that the progress of economic activity has made the reconstruction of social norms inevitable. Our social norms are changing with the progress of our society.

Then what specific aspects of the social norms are changing, from the standpoint of running a business?

Figure 1 The Relationship Between Ethical and Legal Standard



3. What are Examples of Practical Illegal Conduct in Business?

What kind of scandals in Japanese business circles have triggered dispute over business ethics? Unfair indemnity for deficits, insider trading, violations of the Antitrust Law, product liability, huddling, window-dressing settlements as well as the recent recall of defective automobiles, improper evaluation of earthquake proof structures, and so on have been some of the scandals successively disclosed since the 1990s. These were all offenses against the law. In a constitutional democracy like Japan, companies must run their business according to certain rules prescribed by the law. “Certain rules” refer to various legal standards for Japanese businesses. Hence the awareness of business ethics is now arousing much controversy in Japan about the laws prescribing business rules. Naturally, offenders are to be punished under the law, which has the power of enforcement upon those who do not obey. Huddling (Dango in Japanese), window-dressing settlements and other offenses are subject to social sanctions for their infringements of the law. As well as these, there is a wide range of cases relating to employees, the local community, consumers and so on, in which business ethics is dispute because of their violation of the law.

Example of typical business scandal — unethical business behavior against business law

Bribery: the giving or taking of bribes.

Window Dressing: the fact of doing in a way that creates a good impression but not the real fact.

Tax Haven: the crime of deliberately not paying all the taxes that you should pay.

Antitrust: preventing companies or groups of companies from controlling prices unfairly.

Insider trading: the crime of buying or selling shares in a company with help of information known only by those connected with business before this is available to everybody.

PL (Product Liability): a company must be responsible and make safe products.

Recalls: car makers must repair defective parts for free after purchased.

I have classified business ethics into eight specific type of infringement

- Competition — price fixing, price discrimination, unfair bargaining, industrial spying, patent infringement, rebates, bribery, etc.
- Consumer/customer — unscrupulous trading, false advertisement, harmful products, defective products, etc.
- Investors — insider trading, window-dressing settlements, indemnity for deficits, etc.
- Employee — occupational accidents, workplace disasters, death due to excessive work, employment discrimination, sexual harassments, etc.

- Local community — industrial accidents/disasters, lockouts, strategic bankruptcy, etc.
- Global Environment — environmental destruction, environmental pollution, etc.
- Government — tax evasion, bribery, illegal political donation, etc.
- International affairs — tax avoidance, social dumping, money laundering, etc.

4. Changes in Social Norms

(1) Intangible Assets

It is usual for the value of a company to be assessed by such visible economic results as the proceeds of sales, profitability, or capital ratio, as well as the value assets for stockholders or the sale price of the company. Consequently, the whole company strives to maximize these economic results. The following are characteristic ways of running a Japanese business; establishing the attainment of economic value as the greatest goal and making a dash for it; long working hours; company-oriented sentiments; producers' companies; and an avalanche of investment, unclear marketing, closed trading among affiliated or related companies, and so on. However, now this mindset of Japanese companies, namely, struggling to achieve good economic performance at any cost, is being questioned.

According to social psychologist Abraham Maslow (1908-1970), people's desires focus on the basic needs such as survival or safety, and will shift to higher-level desires such as social approval, dignity, or self-realization once those basic needs are met. The primary objective of Japanese companies so far has been to meet Maslow's basic needs. But now that many companies have attained a world high economic performance, they have to outgrow the stage in which economic efficiency is the one and only measure: they are now expected to tackle higher human aspects such as their corporate culture and their social contribution as well as their corporate relationship with stakeholders, the degree of employee satisfaction, etc. In other words, the challenge now is to their business ethics or moral character.

Like corporate culture, business ethics is a precious value shared by many people. It is an invisible asset, like "goodwill" so to speak, which is vitally important to the companies of today. As mentioned earlier, business assets or corporate resources consist of both tangible and intangible resources, the former being visible assets such as products, materials, and money, whereas intangible assets include information, management know-how, technology, corporate culture, business ethics, etc. Intangible assets are not formed overnight; they are accumulated by each specific company over the course of its long operation. If business ethics or other valuable invisible assets which have been nurtured over a long period of time should be suddenly impaired, it takes considerable time and cost to recover from the damage.

| Tangible assets: | Intangible assets |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Physical assets that can be touched: product, land, building, equipment, machine, manufacture plant, others | Assets that are not physical in nature: patent, trademark, goodwill, corporate culture, business ethics, others |

(2) The Relation to Stakeholders-the Evolution of the Market

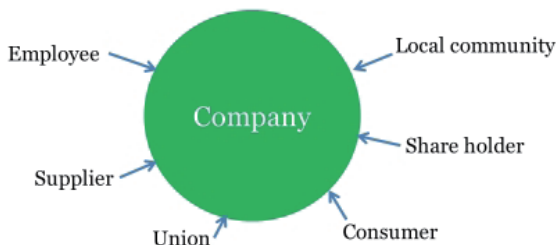
Secondly, the corporate relationship with consumers is in question. During the 1960s and the 1970s, when Japan was enjoying a high level of economic growth, corporate managerial behavior was dominated by product logic. In times when merchandise was scarce, when the more you made, the more you could sell, the logic on the part of producers was predominant in economic activities.

What business valued most among interested parties at that time was their relationship with their employees, especially a close cooperation with labor unions, through which they aimed principally to enhance production efficiency. In other words, the most important managerial task was to deal successfully with the labor unions, which was in itself the touchstone of successful management's ability.

But then the progress of the economy from the 1980s onward brought about increasingly intense competition among manufactures, leading to the overproduction characteristic of the so-called "mature society" in which priority is given to the consumers' view-point, and raising the issue of selling a plethora of products. In short, how to meet consumer needs and how to develop managerial strategies favorable to consumers became crucial role of management in such a society. This means that the range from which to choose among competing goods becomes wider. The wider range of options enhanced consumers' knowledge of merchandise as well as their sensitivity to any defective products. Consumers with sufficient knowledge are also clever enough to know what to do; if a company fails to deal with them properly, that company will face social criticism on a large scale.

Now, in the early part of the 21st century, consumers have considerable knowledge. The market has been greatly developed. It is not consumers alone that are making progress; all the parties concerned with which companies have direct contact, such as labor unions, local communities, stockholders, municipalities, employees, etc. are also doing so. Interested parties are monitoring what companies are doing for society: these include stockholders as investors and employees from the viewpoint of ethics. From the 1990s onward in Japanese industrial circles a dispute has existed about the significance and relations consumer knowledge has to CSR today.

Figure 2



5. The Beginnings of CSR and Corporate Crisis Awareness

(1) The Development of Market Economics and Crisis Awareness

① Expansion of Market Economy

Corporate Social Responsibility originated questioned in the United States, considered the leading country of the free economic system, and then spread to become solving “Social Contract” between business and the community. A problem in the Western world in Japan, the UK, Germany (formerly, West Germany), and so on. After Second World War , with the free economic system as their base, the United States and the countries of the western world, while with the eastern socialist planned economy at their center were the former Soviet Union (now Russia) and Eastern Europe. Though these groups were involved in the Cold War, it was the Western countries of the United States, Japan and Germany, and others, that achieved a remarkable economic development. The East-West Cold War continued, the trigger for the end of the socialist planned economic system, that can be considered a turning point in economic history, occurred with the “collapse of the Berlin Wall” in December 1989.

Germany before the Second World War was one country with its capital in Berlin. Due to the defeat in the war, the nation was divided into East and West Germany, and the capital, Berlin, that was in East German territory, was also divided. Politics there took place a very distorted form. After nearly half a century had passed since the war, West Germany (and West Berlin in the West) underwent dramatic economic development, whereas the economic disparity with East Germany (and East Berlin) only increased. With the progress of the information-oriented society, people in the East who saw the richness of the Western countries and were frustrated with the nature of their social system due to this economic disparity.

As a result, an explosion of dissatisfaction among young people led to “the collapse of the Berlin Wall”. With the opportunity presented by this collapse, the unification of East and West Germany was rapidly achieved, and the collapse of the Soviet Union and the collapse of Eastern

Europe economic systems constituted a fundamental reform in the nature of the social system. First, economic reforms mainly consisting of the introduction of a “market economy” based on the principle of competition which is the basis of the free economic system were introduced. This influence spread further to the socialist nation of China (Peoples Republic of China) which tested a “socialist market economy”, a mixed social system based on the separation of politics and economy. While persisting with socialism through the one party control by the Chinese Communist Party in politics, economics was based on the principle of competition introduced by market economics. Under the leader Deng Xiaoping, the policy of the “Opening of China” engaged the 1.3 billion Chinese populace and the market economy accelerated.

② Issues Surrounding the Introduction of Market Economy

Then the introduction of the market economy in the former Soviet Union, Eastern Europe and China further intensified economic competition. Companies in the world seeking new market expansion start investing in various forms following the trend of the “Globalization of Economic Activity”. The accelerating economic activity caused the problems of; resource acquisition, indiscriminate development, the location of factories, low wage labor, and environmental pollution. As a result of such rapid economic activity, the global spread of environmental pollution, including water pollution and the problem of exhaust gas from the spread of cars, the disparity between economic “winners” and “losers” due to market transactions, a continuing poverty problem, human rights problem due to cruel work practices, all became very visible.

The introduction of newly added market economies, while activating the overall global economy, creates various forms of social problems. In other words, a sense of crisis is burgeoning in the consciousness of citizens as to whether the Earth’s resources, environmental problems, the gap between the rich and poor, and human rights issues will really be solved if the market economy continues like this. That is, to say, that with market economic activity spreading on a global scale, can society continue like this into the future? In other words, people began to worry about the feasibility of a sustainable society which is the exact problem that CSR addresses. This has returned companies to their starting point and planted in people’s consciousness that now is the time that we must take seriously the questions of “What is the purpose of a company, and What is its social responsibility?”

(2) An Awareness of Crisis in Europe – The Birth of European CSR

① The Formulation of CSR in Europe

Within this awareness of crisis as was described above, CSR initially burgeoned in Europe and especially in European Union (EU). EU countries witnessed the issues with the environment and human rights due to the transition to market economies through economic reform in the neighboring countries of Eastern Europe. While the EU responded to issues of social exclusion, unemployment, employment issues, and issues involving the devastation of regional communities since the 1990s, it was further forced to deal with problems such as environmental problems, labor in developing countries accompanying globalization, human rights issues, what role should be fulfilled by corporations was questioned, and CSR began to be widely discussed.

The Lisbon Declaration at the EU Council of 2000 became the starting point for European consideration of CSR in earnest. The point was that the EU “aims to build a knowledge-based economy that will enable sustainable economic growth accompanying better employment and social integration by 2010”, and they believed that CSR would make an important contribution to the strategic objectives aimed at sustainable development. Based on this, the CSR Review Committee was set up within the EU, and in collaboration with employer associations, labor unions, NGOs, and others various forms of initiatives were begun in earnest.

② The Formulation of CSR Worldwide Network

At that time, the WBCSD (World Business Council for Sustainable Development), a network of managers of global corporations with its headquarters in Switzerland (Geneva), presented various policies concerning CSR and fulfilled a pioneering role concerning the role of corporations with social responsibility from the perspective of Sustainable Development.

Prior to this network organization, in 1992, the United Nations Conference on Environment and Development was held in Rio de Janeiro. Here, for the first time, official participation of NGOs (non-governmental organizations) was recognized on the theme of global environmental issues, and forums were held by a large number of NGOs. A comprehensive discussion was held on the environment and development, and an action plan seeking sustainable development, “Agenda 21”, was adopted.

Two years later in 1995, the “World Summit for Social Development” was held in Copenhagen, Denmark. There, the “Copenhagen Declaration” that human-centered social development based on social justice and human rights at the issue of the 21st century was adopted, and they held discussions on a broad range of societal issues of the eradication of poverty by sustainable development and employment and social integration. NGO forums were also held simultaneously,

the problems of the global market economy were also discussed, and taking this as an opportunity the social responsibilities and roles of corporations involved in globalization will be discussed in earnest. Until then, the existence of NGOs was as small network organizations, but they would undergo a rapid spread and come to have more influence due to the spread of the internet. In particular, the NGO networks dealing with problems related to the negative aspects of globalization expanded and came to occupy important positions at international conferences.

③ Human Rights Issues by Expansion of the Market Economy

While the change to market economies is progressing, with the globalization of business activities, various frictions are appearing in the countries where it is advancing. Global corporations are advancing into emerging and undeveloped regions to seek low wage labor for cost cutting. There, they hire workers at low wages and have them to carry out labor which is sometimes under harsh conditions. At the home country headquarters, this generates considerable profits, while on the other hand they are only paying low wages that ignore a human fundamental rights. When it was discovered that the global sports shoes brand, Nike, was making people work for an hourly rate of only 17 Cents, around 20 Yen, at factories in Indonesia and Mexico, it became an international social problem.

This is the nature of CSR for a global company now being raised internationally, and it was an opportunity to raise fundamental human rights even at the United Nations. Human rights are the minimum rights necessary for individuals to live in society. The United Nations' Declaration on Human Rights states that "individual dignity and equality and fundamental human rights common to the human race as a whole are the cornerstone of worldwide freedom, justice, and peace." It was taken up on the stage of the UN that human right insist on the right of all human beings to live on the planet is being threatened, and a widening gap is being created between the rich and poor due to the progress of globalization.

The UN Secretary-General at the time the issue was first taken up, Kofi Annan, proposed an initiative called the Global Compact. This is formed by ten principles starting from the four items of human rights, labor, the environment and anti-corruption. The foundation of the Global Compact is the concept of the social contract theory that "corporations exist for the sake of society and must minimize any negative impact to society and maximize any positive impact." This emphasized that preserving human dignity and promising minimum human rights, people are able to work safely, while being guaranteed wages by which health and vitality are maintained, satisfying minimum labor standards, and minimum efforts for the protection of the global environment are the social responsibility of corporations, an CSR.

It is interesting, as of December 2013, the groups which have signed the Global Compact have exceeded 12,000 worldwide (with around 8000 corporations, the participation of EU corporations is proportionally high, 1st: Spain, 1698 corporations, 2nd: France, 987 corporations), and within that, Japan has 210 groups (among those, 110 are listed companies: as survey by Professor Nobuhiro Tanaka of Kyorin University). In this way, while corporations and various groups worldwide approve of the Global Compact, the spread among European corporations is especially strong, and a worldwide spread is visible in addition to the EU NGOs and NPOs are further supporting this.

The Ten Principles of the UN Global Compact

<Human Rights>

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and

Principle 2: Make sure that they are not complicit in human rights abuses.

<Labour>

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labour,

Principle 5: The effective abolition of child labour, and

Principle 6: The elimination of discrimination in respect of employment and occupation.

<Environment>

Principle 7: Businesses should support a precautionary approach to environmental challenges,

Principle 8: Undertake initiatives to promote greater environmental responsibility, and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

<Anti-Corruption>

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

6. The CSR Trends in Japan

(1) The Start Up in Japan

As mentioned above, after the foundation of the Japan Society for Business Ethics in 1993, although business ethics were questioned due to the scandals that occurred in the 1990s, the CSR issue was not considered so serious an issue. Business ethics are inherently a problem of corporations and society, and it has a deep connection with the problems of corporations' social responsibility. However, on entering the 2000s, within our domestic industry and also at academic societies also, discussions, research presentations and the publication of books, etc., concerning CSR rapidly increased.

Interest in CSR in Japan is said to be from 2003, "the first year of CSR". This turning point was due the Japan Association of Corporate Executives, a gathering of managers in Japan's industry sector, having published a corporate white paper on the theme of CSR, " 'Market Evolution' and Socially Responsible Management" in March 2003, in light of the growing interest in CSR originating in Europe. However, before this, the Kansai Economic Federation discussed CSR at the "Corporate and Social Committee" in 2000 and published the report "New Relationships between Corporations and Society" in March 2001. The feature of the Japan Association of Corporate Executives' white paper was it not only established a code of conduct, but also introduced tools for checking compliance, adding 110 items in five fields, to the CSR self-evaluation sheets. In the 2000s, with the industrial sector taking the lead it was taken up and rapidly spread with the spread of CSR, appointment of staff members responsible for CSR, the establishment of a CSR department, concrete actions for CSR activities, and the creation of CSR reports summarizing the state of those activities. It is thought that the spread of CSR today is because business ethics were in question the successive at a series of scandals since the 2000s. So, what is different with the current management with its cornerstone of CSR?

(2) The Difference Between 20th and 21th Century in CSR as a Part of Business Core Strategy

To understand that, it is good to refer to and consider the "corporate personality in the 20th century" and the "corporate personality in the 21st century". Today's CSR is in response to environmental problems and economic disparities spreading around the earth, effecting poverty and human rights issues, as well as the change in values accompanying rising citizen awareness and international corporate codes of conduct. It is necessary for corporations to grasp this as a deductive idea of asking what they can do. Doing so, CSR is not a matter of passively responding and just saying that nothing "must be done" as part of corporate activities, but that it is possible

to view it as forward-looking, positive, new business creation. The thinking of the former can be considered as “defective CSR”, the latter may be considered “offensive CSR”.

For example, due to the Lehman Shock in the US in 2008, the world’s largest corporation, GM (General Motors), went bankrupt the following year. GM continued to make large vehicles in pursuit of immediate profits. In contrast, Japan’s Toyota and Honda have gained explosive popularity by developing environmentally friendly ecocars. They have anticipated the nature of 21st century enterprise, creating a new business by improving the core business, and this is what CSR is. That is, CSR is the innovation of a product with reduced fuel consumption that anticipated the global environmental needs. Thinking in this way, for Japanese corporations, energy-saving technology, environmental technology, development of new materials, robot technology, developments in the medical field, and so on, are fields leading to new business creation for the future.

In the early 1990s, corporations were returning part of the profits of corporate activities to society, by sponsoring to volunteer activities, donation activities for charitable enterprises, and patronage and philanthropy to fulfill social responsibilities. However, even if these were “charitable activities”, they are not “charitable projects” attributable to the firm’s core business. Until now, environmental measures have been a cause of cost increases for companies, but in recent years they have had the benefit of increasing competitiveness by eliminating waste. Thinking of CSR as “offensive CSR” like this, we can establish as one of the corporation’s core businesses for solving various problems such as the poverty problems, environmental energy, male and female employment problem and education issues.

7. From CSR to CSV—What is Strategic CSV ?

In recent years, the term “CSV” began to be use together with “CSR”. This was first in the paper “Creating Shared Value” posted in the 2011 in the “Harvard Business Review” by Professor Michael Porter, and now well known as Harvard University’s Management Strategy Theory. In this paper, Porter proposed a next generation management model that creates both social value and economic value by solving social problems. If CSR is also considered as related to the creation of social value, both are in the same domain.

Porter used the term “strategic CSR” in his paper and pointed out the need to respond to social challenges in projects carried out by one’s corporation’s businesses. Porter further advanced beyond “strategic CSR”, by saying CSV is not strategic but is to be made part of strategy itself. CSR is the current “corporate social responsibility” but CSV makes Shared Value the pillar of creating business. In other words, it is to make it the central axis of the management strategy. However, although this idea created a sensation as the creation of new business value, the essence

of CSR does not fundamentally differ from CSV. However, the 1970s social environment in which corporations' social responsibility became a problem in Japan the CSR born from the current social environment, and the CSV proposal are essentially different.

One of the major trends in the background of this is the rise of emerging countries. The globalization of corporations by developed countries has caused various social problems engulfing emerging countries. This is a new problem that could not have been conceived of from economic activities among developed countries heretofore. It is not a problem solvable by a single company but a global issue. This will also lead to the creation of more social value and economic value in the 21st century.

8. The Diversity of Management and Business Logic

The Meaning of Diversity

In management strategy, if we say "diversity" or "diversification", it used to mean diversification through entry into new business fields. However, in recent years, it has come to mean the raising of a corporation's competitiveness by actively appointing women or actively employing foreign staff. When considering the appointment of a variety of staff, it certainly fits the etymology of "diversity". Speaking of the roots of the concept of diversity, we think of the United States. The United States is said to be a "crucible of races" originally made up of immigrants, which means that how to manage the diversity of various ethnic groups to achieve organizational goals has become a basis of US business.

In this sense, the concept of diversity was not a new idea in US business society but completely natural. The trigger for thinking in earnest about diversity was the establishment of the Civil Rights Act and the Equal Employment Opportunity Act in the 1960s and the 1970s. These bills eliminated racial discrimination and advanced the employment and promotion of women, and with this as the trigger, corporations began to consider diversity to comply with the law and avoid litigation and during the 1980s active promotion of this was being carried out within US corporations. Then, the trigger that spurred on that promotion was the globalization of economic activities accompanying the change in market economies due to the collapse of the Berlin Wall in 1989.

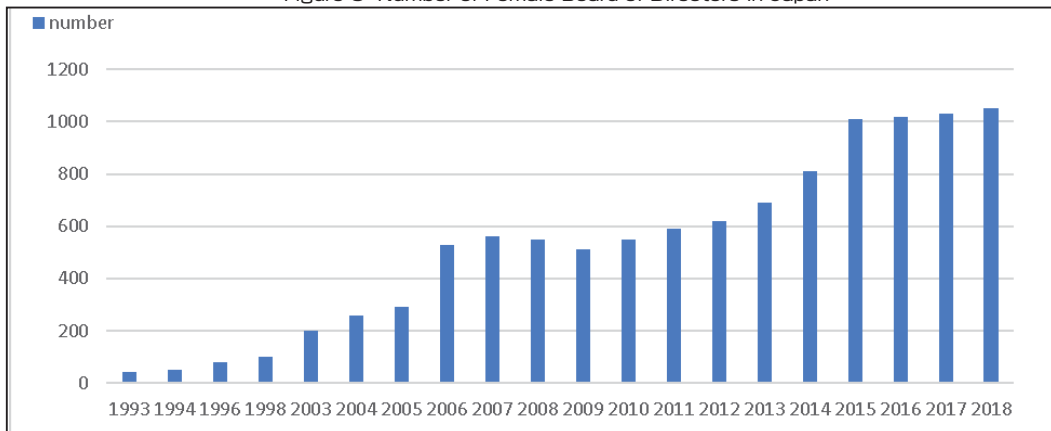
With the expansion of the global market, it became necessary to appoint staff that could respond to diverse needs. For that purpose, diversity of human resources was advanced, it became necessary to make use of that in management strategy. Amid this trend, since the latter half of the 1990s, many cases have been shown linking the promotion of diversity in companies to the in business success of those companies, and from this time the ratio of female managers in the United States has begun to dramatically grow remarkably.

Today it is becoming clear that appointing diverse staff and making use of this in management

strategy is a competitive advantage for the corporation. In fact, no matter what kind of workplace you got to in the United States, diversity is a matter of course, and that provides some of the dynamic competitiveness of US corporations. And in recent years women are not only in major posts in the government, but are also CEOs in representative corporations such as GM, Xerox and HP which are major public corporations. Considering this in comparison with Japanese corporation, it seems that there is a remarkable difference at present.

Incidentally, the ratio of women occupying management positions in the United States is over 40%, top among the OECD countries, while Japan is below Korea, and was the lowest ranked alongside Turkey (2006). Figure 3 shows the trends from 1988 to 2018 in data by Gender Equality Bureau Cabinet Office, Japan.

Figure 3 Number of Female Board of Directors in Japan



9. The Relationship Between Japanese Corporations and Business Ethics

(1) The Equal Employment Opportunity Law

The takeoff of diversity management in Japan is said to have begun after the implementation of the Equal Employment Opportunity Law revised in 1985. In other words, the diversity of working styles by gender was recognized through improving the treatment of female employees and enhancing welfare programs, and a variety of systems began to be organized to actively utilize this. From this time, the introduction of a childcare leave system and recruitment of women to managerial positions began to be adopted among several Japanese corporations.

However, at this time, the significance began to be recognized more after the establishment of the Equal Employment Opportunity Law, not from the point of view of diversity. The term “diversity” entered Japan in earnest from the 1990s, especially as US corporations conducted business activities in Japan, the idea of diversity that had already spread widely in the United States, became actively

adopted as a method to secure competitiveness in human resources among Japanese corporations, too.

Later, as a major item of the CSR report which is a compliance requirement of ISO 14001 established in 1996, active disclosure was required concerning efforts regarding the treatment of specific employees such as respecting fundamental human rights in the workplace, the utilization of women, and employment of persons with disabilities. On the other hand, amidst advancing global expansion of Japanese corporations, we are beginning to see a situation where further business expansion cannot be achieved without appointing more foreign member.

So, what is the relationship between diversity management and business ethics? In this paper I have stated that business ethics need to be understood from the positive aspects and the negative aspects. The negative aspects are the violations of the law that are features of the scandals and unethical behavior distinct from today's social norms. Despite the fact that the Equal Employment Act was enacted, should the actions of Japanese corporations in not actively adopting it be considered problematic even from the view of business ethics?

Then considering the positive aspect, considering the global business expansion of Japanese corporations today, there is concern that business expansion that is Japanese- and male-centered and centered on the Japanese headquarters will not be able to compete globally. When delving deeply into the problem of diversity, we often find that it has a strong connection with the problem of business ethics.

(2) The Concept of Diversity

Diversity basically utilizes the diversity of human resources and the issue is how to best connect this to strengthening the competitiveness of the corporation. For human beings, differences are not only on the surface such as race, gender, age, or the presence or absence of physical disabilities, but there are also inner differences such as religion and values, social background, way of living, way of thinking, character, attitude and preferences. Mami Taniguchi (Professor of Waseda) explains the difference from the perspective of the former as "surface-level diversity" and the latter as "deep-level diversity".

In other words, when we say diversity, we can image the utilization of women and foreigners and tend to think of the surface-level part that can be judged by appearance, but real diversity incorporates the deep-level differences that cannot be judged from appearance. It is said that it is this that will lead to the activation of business activities.

① “Surface-level Diversity”

Differences in gender (sex) – Males and females

Differences in physical condition – healthy persons and physically disabled people,
differences of race, nationality, ethnicity and religion

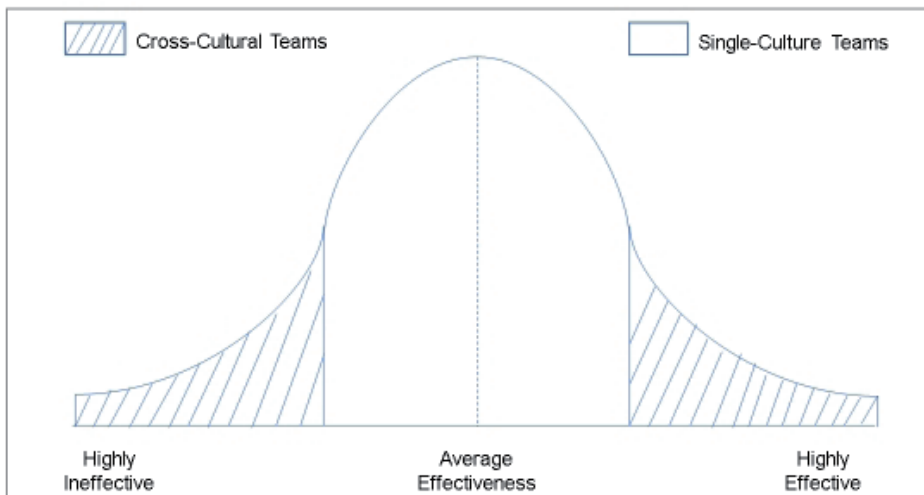
Differences in generation – elderly people and young people

② “Deep-level Diversity”

It is said forward that deep-level diversity can be utilized to create a mutually encouraging environment leading to better motivation work. However, simply appointing diverse personnel does not necessarily produce good results. By suddenly advancing diversity, the collision of differing values may cause a negative aspect to appear.

In an experiment conducted by Professor Carol Kovach of the University of California, Los Angeles (UCLA), comparing a multi-cultural team and a uniform team, to see whether the multi-cultural team was most effective or most ineffective was actually divided into the two (Figure 4). In other words, good results are obtained if diversity is used well, and if not then it may be ineffective. The issue is to combine that person’s “individuality” with the “role” in the organization, and to clarify what results are produced.

Figure 4 Team effectiveness



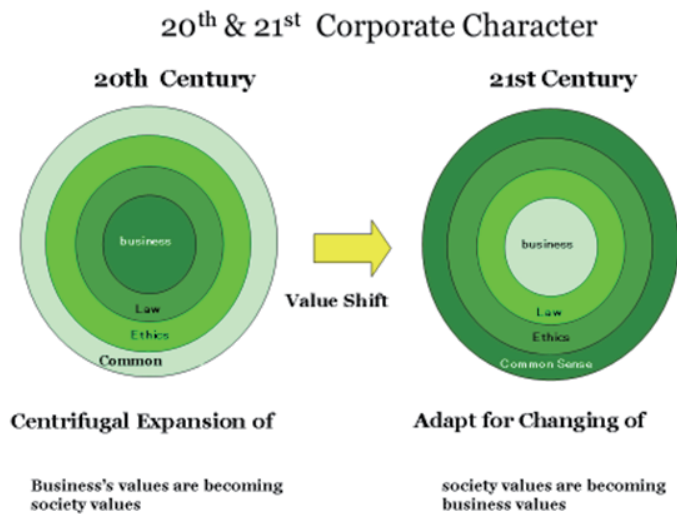
Source: Based on Dr. Carol Kovach's research conducted at the Graduate School of Management, University of California at Los Angeles(UCLA).

10. Conclusion

As has been demonstrated above, managerial environment surrounding business is changing, and so are social norms. The days are gone when companies were at the center of society and when their conduct was explained in the context of centrifugal expansion to solve global environmental problems as well as social problems. Corporate character is now based on the question of whether the company can coexist with society, and how it can make the most of its organization to solve global environmental problems as well as social problems. We are in the midst of a tide of innovation which we should understand from the viewpoint of a “value shift,” as indicated by the title of the book (Value Shift), written by Lynn Paine, My diagram is refer to Figure 5.

Figure 5

Changing of Corporate Character



24

Reference

- Aguilar, F. J. (1994) *Managing Corporate Ethics, Learning from America's Ethical Companies*, Oxford University Press.
- Andrews, K. R. (1989) "Ethics in Practice" *Harvard Business Review*, September-October.
- Buchanan, J. M. (1994) *Ethics in Economic Progress*, The University of Oklahoma Press.
- Buckley, A. (1995) *The Essence of Business Ethics*, Prentice Hall International.
- Carrol, S. J. and Cannon, M. J. (1997) *Ethical Dimensions of International Management*, SAGE Publication,

California.

- Deal, T. E. and Kennedy, A. A. (1982) *Corporate Culture*, Addison-Wesley.
- De George, R. (1993) *Competing with Integrity in International Business*, Oxford University Press.
- Donaldson, T. (1989) *The Ethics of International Management*, Oxford University Press.
- Donaldson, T. (1996) "Value in Tension: Ethics Away from Home," *Harvard Business Review*, September-October.
- Donaldson, T. and Dunfee, T. (1999) "When Ethics Travel; The Promise and Peril Global Business Ethics," *California Management Review*, Summer.
- Dore, R. (2000) *Stock Market Capitalism-Japan and Germany versus the Anglo-Saxons*, Oxford University Press
- Driscoll, D. M. and Hoffman, W. M. (2000) *Ethics Matters: How to Implement Value-Driven Management*, Bentley College, Waltham, MA.
- Domenec, M. (2009) *Business Ethics in Action*. Palgrave Macmillan.
- Hosmer, L. T. (1987) *The Ethics of Management*, Richard Irwin.
- Michell, L. E. (1997) *Corporate Responsibility, Americas Newest Export*, York University Press.
- Murray, D. (1997) *Ethics in Organization*, Coopers & Lybrand.
- Paine, L. C. (1994) "Managing Organizational Integrity" *Harvard Business Review*, March-April.
- Paine, L. C. (1997) *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance*, The McGraw-Hill Companies.
- Pratley, P. (1995) *The Essence of Business Management*, Prentice-Hall International, UK.
- Porter, M. E. and Kramer, M. R. (2002) "The Competitive Advantage of Corporate Philanthropy" *Harvard Business Review*, December.
- Porter, M. E. and Kramer, M. R. (2006) "Strategy & Society 2" *Harvard Business Review*.
- Stewart, D. (1996) *Business Ethics*, The McGraw-Hill Companies.
- Taka, I. and Donaldson, T. (1997) *Business ethics (Japanese)*, Bunshindo.
- Takahashi, H. (1997) "Business Ethics and Corporate Governance in Japan's Multinational Corporation," in Kobayashi, N. (ed) *Management- A Global Perspective*, The Japan Times.
- Takahashi, H. (1998) *Formulation & Practice of Code of Corporate Ethics-Case Studies of American & Japanese Companies*, Sanno University Press, Tokyo.
- Takahashi, H. (2002) *Business Ethics*, Doubunkan Publications, Tokyo.
- Takahashi, H. (2006) *Essence of Business Ethics*, Business Research, July, Business Research Institute, Tokyo.
- Takahashi, H. (2007) *What are the Business Ethics-Changing of Japan's Corporate Environment*, Keizaikai, No 233, October, Kanto Gakuin University Press.
- Takahashi, H. (2013) *The Challenge for Japanese Multinationals*, Palgrave Macmillan.
- Takahashi, H. (2017) *Business Ethics as Corporate Strategy (Japanese)* Maruzen Publication.
- Vogel, D. (1991) "Business Ethics: New Perspectives on Old Problems," *California Management Review*, Simmer.
- Vogel, D. (1992) "Globalization of Business Ethics: Why America Remains Distinctive," *California Management Review*, Fall.
- Vogel, D. (2006) "Market for Virtue: The Potential and Limits of Corporate Social Responsibility," Brookings Institution.

A Case Study of Non-Mainstream Local Governance and the Political Economy of Business Revitalization in Osaka

T. W. Lim / Y. Godo¹

Abstract

Osaka is a typical example of the gentrification of an old factory district in Japan. After an economic boom in the early postwar period during which Osaka was the most industrialized area in the country, its economy is adjusting to a post-industrialized landscape. Many economic and social indicators confirm Osaka's space and potential for more growth relative to Japan's 46 other prefectures. Osaka citizens and businesses want to adapt faster to the post-industrial economy. Of course, in every challenge, there are opportunities and some see sparkling gains in revitalizing Osaka businesses socioeconomically. Some of the reforms are suggested by outsiders and controversial figures. It may be interesting to look at such initiatives (including failed ones) emanated from the political fringes from the non-mainstream of local governance, in addition to understanding the important developments of the political mainstream.

From the political periphery, Toru Hashimoto emerged in this context as a self-branded reformer. As the governor of Osaka Prefecture (January 2008 to November 2011) and the mayor of Osaka City (November 2011 to November 2015), he initiated various local governance reforms such as fiscal reconstruction, discipline for public workers, and tackling corruption. As part of the reforms, Hashimoto advocated a plan to introduce a new local governance system in Osaka, called the Osaka Metropolis Plan. After failing to implement the plan, Hashimoto retired from the political world in November 2015.

The Initiative from Osaka (IFO), a local party established by Hashimoto in April 2010, inherited

¹ Prof Y. Godo is Professor of Economics at Meiji Gakuin University and recipient of the 28th Suntory Book Prize for Economics. T. W. Lim is an Associate Professor at Soka University.

Hashimoto's initiative. Now, the Initiative from Osaka holds a majority of local government positions in Osaka and is attempting to complete Hashimoto's reform plans. The paper is not interested in evaluating the performance or outcome of the inherited initiative but examines the systemic processes in which reform impulses emerged from the political non-mainstream. While it is too early to speculate on the results and not the concern/focus of the paper, it may be useful to study Osaka's push toward business revitalization as Japan's first case of business/economic/socioeconomic reforms under an initiative proposed and implemented by non-mainstream local politicians. It may be a useful case study of central-local government relations from the perspective of non-mainstream political governance.

Key Words: Japan, Osaka, governance, business, revitalization, post-industrial

1. Introduction

In the early post-WWII period, Osaka flourished as the wealthiest and most industrialized area in Japan. Many of Japan's top manufacturing companies, such as Daikin, Panasonic, and Sharp, began in Osaka, and the region took pride as the center of the Japanese economy. Over these four decades, Osaka has gradually transitioned to a post-industrial landscape. Today, Osaka's income level, social indicators, and welfare recipients per capita, show that there is space for improvement Osaka relative to Japan's 46 prefectures. This scenario probed Osaka businesses and citizens to strive harder for improvements and upgrades. Under such circumstances, Toru Hashimoto, a controversial (differing perceptions according to his supporters and detractors, critics and fans) TV personality, emerged from the political periphery in 2003.

Before entering politics, he was only a TV commentator, known for his straightforward and sometimes abrasive points of view. However, after winning the Osaka gubernatorial election in January 2008, Hashimoto momentarily became a public figure in the political world. It is a useful case study of the iron triangle of local governance, local politics and local businesses. His Osaka reform initiative attracted the public's attention nationwide because it included revision of Japan's conventional local governance system. To proceed with his reform plans, he formed a local political party, called the Initiative from Osaka (IFO), in April 2010.

When Hashimoto retired from the political world in 2015, the IFO inherited his initiatives and has since continued to introduce various reform plans aimed at revitalizing Osaka. Some of its plans have been implemented, while others are still pending. This article aims to adduce the reasons for Osaka's state of performance and review the socioeconomic and business challenges that Hashimoto and the IFO faced in revitalizing Osaka. It is a study prompted by peering into the

centripetal forces of local governance and business from a peripheral lens. It looks at the business governance system not from a dominant party's point of view, or centralized perspective looking outwards, but from the local governance point of view and from a less institutionalized, peripheral, and maybe even marginalized perspective.

It does not detract from the need to study dominant and ruling party systems or central governance or the perspective from the bureaucratic/political center peering outwards but wants to contribute to existing literatures by looking at the lens from the other way round (i.e. externally peering inwards into the political mainstream and center). Neither does the paper intend to critique domestic and local politics, it is only interested in the process and issues of reforms but not the political factionalism involved. The authors maintain political neutrality in examining this case study and are not interested in political judgements and evaluations.

Instead, its focus is on the idea and concept of business reforms launched at the local level and understand systemically how local governance entities try to introduce economic reforms to change the status quo and understand business governance system from its periphery and marginality. The rest of the paper is organized as follows. Section 2 outlines Japan's local governance system, while Section 3 summarizes Osaka's economic history. Sections 4 and 5 review two of the major administrative issues in Osaka. Section 6 details Hashimoto's and the IFO's activities. Finally, Section 7 provides some concluding remarks.

2. Japan's local governance system

(1) Two layers of local government

Before discussing details of the Osaka Problem, it is useful to provide an overview of the relationship between Japan's national and local governments. Because Tokyo's local governance system is unique from that of other areas, this paper will review the local governance system for non-Tokyo areas first. There are two layers of local government in Japan. The administrative system of the first layer is known as the "municipality," which is the most basic unit of local governance. There are three categories in a municipality: city (over 50,000 people), town (between 8,000 and 50,000 people), and village (fewer than 8,000 people)¹. If a city's population exceeds 500,000, and the Prime Minister's Office recognizes the city government as having a high level of administrative ability, the city qualifies to become an "ordinance-designated city" (to clarify, this paper uses the term "ordinary" to refer to a city that is not an ordinance-designated city).

The administrative unit of the second administrative layer is called a "prefecture." The prefectural government supports the municipal governmental units within its jurisdiction by providing public services that require special knowledge, additional resources, and/or that cover a

broader scope than a municipality. An ordinance-designated city government has an advantage of possessing far greater administrative power than an ordinary city government. For example, the municipal governments in ordinance-designated cities have the power to appoint teaching staff in prefectural schools in their jurisdictions.

The public welfare program is a good example of the division of roles between the national, prefectural, and municipal governments. The National Diet is in charge of establishing a general framework for the welfare program. The National Diet frames the Public Assistance Act, which stipulates that a person who is unable to maintain a minimum standard of living due to poverty should receive welfare assistance. In villages and towns, the prefectural government designates who is qualified to receive public support and provides welfare funding from its own budget. The municipal governments in villages and towns are responsible only for straightforward services such as receiving welfare funding from the prefectural government and providing that money to the recipients.

In both ordinance-designated and ordinary cities, the municipal governments designate who is qualified to receive public support and share the financial burden of supplying welfare funding with the prefectural government. The prefectural government supports the municipal governments in cities by appointing designated medical institutions, which receive subsidies from the prefectural government to provide medical treatment for needy individuals. The municipal governments in ordinance-designated cities are also allowed (but not obliged) to appoint designated medical institutions. The prefectural and municipal governments share revenue from local taxes. As the roles of the municipal government increase according to the category of municipality, the portion of local tax revenue that corresponds to the municipal government also increases.

Each municipal or prefectural government has its own person in charge and assembly. The heads of municipal and prefectural governments are called the “mayor” and “governor,” respectively. Residents older than 18 years are allowed to vote in the elections for the mayor, governor, and members of the municipal and prefectural assemblies. As population increases, effective communication between the municipal government and citizens becomes more difficult. To overcome this, ordinance-designated cities have a unique administrative system called the “ward” system. The area of an ordinance-designated city is divided into wards, each with its own office, which provides basic services (e.g., registrations of a birth, a death, a divorce, and a marriage) to the ward’s residents. However, the basic unit of local governance is not a ward but an ordinance-designated city since the head of each ward is appointed by the mayor, not chosen by election. This is because the head of a ward is responsible only for administrative matters and not for making political decisions.

(2) Tokyo's unique local governance system

Similar to Japan's 46 prefectures, Tokyo's local governance system also comprises two layers of administration. However, the upper layer is called a "metropolis" instead of a "prefecture"; thus, the prefecture government's official name is the "Tokyo Metropolitan Government." The Tokyo Metropolitan Government has its own assembly, whose leader is called the "governor." Residents older than 18 years are allowed to vote in the elections for governor and the Tokyo Metropolitan Assembly. As for the lower layer of administration, there are eight villages, five towns, and 26 cities (all of which are ordinary cities) in the Tokyo Metropolis, which also includes another type of municipality unit (i.e., in the lower layer of administration) called the "special ward." There are 23 special wards in Tokyo. Unlike wards in ordinance-designated cities, each special ward is recognized as the basic unit of local governance. Each special ward has its own assembly, with a head known as the "mayor." Residents older than 18 years can vote in the elections for the mayor and assembly members.

The administrative activities/powers of a special ward's government are limited compared to the other municipality types (i.e., village, town, and city). The Tokyo Metropolitan Government carries out some of the special ward's activities/powers that are often conducted by municipal governments in other municipality types. For example, while municipal governments in cities are authorized to design land development plans in their jurisdictions, the Tokyo Metropolitan Government does this instead of the 23 special ward governments. The taxation powers of special ward governments are also limited. The imposing and collection of asset taxes in the 23 special wards is within the purview of the Tokyo Metropolitan Government, but this activity is done by the municipal governments in the other prefectures.

The special ward system is unique in the sense that the administrative power of the basic unit of local governance is mitigated. In fact, the prototype of the special ward system was established in 1947, in the midst of WWII. To implement and operate the defense system for the Imperial headquarters quickly, the national government wanted to fast-track and accelerate/omit the process of negotiation with local governments in Tokyo. The democratization of local governance after WWII co-exists with the idiosyncratic features of the special ward governments' administrative power. A graphical depiction of Japan's local governance system is presented in Figure 1. As can be seen in the figure, the ordinance-designated city government is qualified to perform more functions than any other type of municipal government. Figure 1 also shows that the Tokyo Metropolitan Government has power over the special ward governments because their budgets and activities depend on the Tokyo Metropolitan Government.

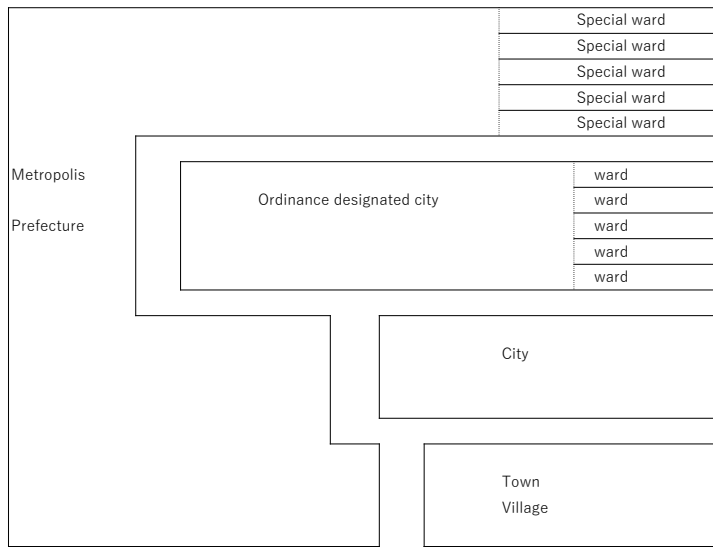


Figure 1. The structure of local governance

Note: A ward is a part of the ordinance-designated city government, and budgets and activities of special wards are dependent on the Tokyo Metropolitan Government. Dot lines (instead of rigid lines) show dependence of wards and special wards to the upper local bodies.

3. Osaka's economic history

(1) Osaka's high performance in the early postwar period

Osaka has a glorious history of leading the Japanese economy. When Japan entered a heavy industrialization stage in the 1920s, Osaka became the mecca of modern factories. Further, in the 1920s, Osaka was the sixth largest city in the world (larger than Tokyo) and called "Great Osaka." Osaka attracted manufacturers for the following four reasons. First, it has one of Japan's top-class ports, Osaka Port. Second, because Osaka is at the estuary of the Yodo River, which is one of Japan's largest rivers, it has an accessible fresh water supply²⁾. Third, since Osaka is a gateway to Kyoto, which had been Japan's capital for more than 1000 years until the Meiji Restoration of 1868, very rich merchants, who started new factories, lived in Osaka. Fourth, Osaka has easy access to low-wage manual workers because of its long history of fostering communities of migrant workers from less developed areas in Japan.

Osaka's resources/supplies were significantly altered when Japan introduced a rationing system for industrial materials and fuel in 1938 as part of the country's state mobilization of resources. For more efficient manufacturing of strategic resources, the national government moved production and resources to Tokyo. In addition, during the Pacific War, repeated bombing by the

Allied Forces damaged Osaka's industrial capabilities. In the 1950s, when Japan restarted heavy industrialization, economic vitality returned to Osaka. During Japan's high growth era (from around 1950 to the mid-1970s), Osaka's economy grew faster than Tokyo's³).

(2) The Nixon shock as the turning point

In 1971, US President Richard Nixon surprised the international community with two shocking announcements. One was his intention to visit Beijing for discussions aimed at reaching a Sino-American rapprochement (announced on July 15, 1971). The other was the suspension of the existing Bretton Woods system of international financial exchange (announced on August 15, 1971). These two events, known as the 'Nixon Shocks', greatly impacted the Japanese economy and, in particular, Osaka's economy. Under the Bretton Woods Agreement, the yen-dollar exchange rate was fixed at 1 dollar = 360 yen; this meant the yen was undervalued in terms of its market rate and therefore favored Japanese manufacturers' exports. After the suspension of the Bretton Woods system, the yen exchange rate increased sharply, and thus the international competitive power of Japanese manufacturers adjusted accordingly. In addition, the improvement of China-US relationships helped China promote its industrialization by importing technologies from developed countries, including Japan. Starting in the late 1970s, Japanese manufacturers, such as Panasonic, moved their factories to China (and later to countries part of the Association of Southeast Asian Nations), looking for cheaper labor and looser environmental regulations.

The Nixon Shocks can be seen as the turning point for the Japanese economy's shift from industrialization to post-industrialization. This was an economic/industrial adjustment transition for Osaka, whose economic growth largely relied on the manufacturing sector. As factories in Osaka accommodated international competitive power, Osaka tried to locate new leading businesses to take the place of flagship industries. As a result, as can be seen in Table 1, in the period of adjustment, Osaka's percentage in Japan's gross domestic product (GDP) continually trended downwards over four decades. As shown in Figure 2, Osaka's per-capita income, which had been the highest among the 46 prefectures until 1983, is trending south of the national average⁴).

4. Local governance in Osaka

Osaka's history of fostering low-wage laborers has created a unique local political dynamic. Before postwar democracy was adopted, laborers' human rights were not complementary with contemporary understanding. After postwar democratization, they formed common-interest groups and started petitioning for special support from local governments. A common-interest group's identity differs according to group: some groups' members identify themselves as parts of

Table 1. Osaka's share in Japan's GDP

| Year | 2011 Standard | 2005 Standard | 1995 Standard | 1990 Standard | 1980 Standard |
|------|------------------|------------------|------------------|------------------|------------------|
| 2015 | 7.2 | | | | |
| 2006 | 7.3 | 7.0 | | | |
| 2001 | | 7.8 | 7.7 | | |
| 1990 | | | 8.5 | 8.0 | |
| 1975 | | | | 9.0 | |
| 1974 | | | | | 9.7 |
| 1970 | | | | | 10.2 |
| 1955 | | | | | 7.4 |

Note: Year = Japanese fiscal year (from April 1 in the calendar year to March 31 in the next calendar year).

Source: Report on Prefectural Accounts produced by the Cabinet Office.

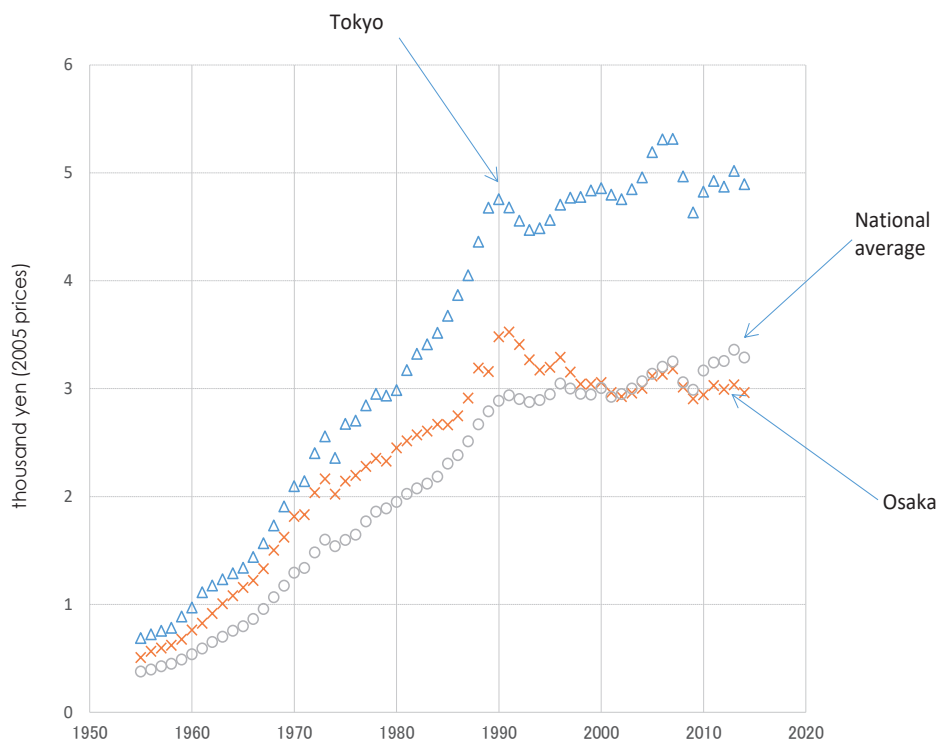


Figure 2. Comparison of per-capita income

Source: Report on Prefectural Accounts produced by the Cabinet Office

minority groups. The political influence of these groups became pronounced as a result of postwar democratization. Democratically, some local politicians accommodated their demands during election campaigns and in implementing local policies. To complement the advocacies of interest groups, various systems were created⁵⁾.

In the process of co-option and integration, local politicians may arrange local government public service positions for some influential representatives of common-interest groups. They were leaders in labor unions of public servants and support the politicians during their election campaigns. There is an iron triangle of tripartite arrangements between local politicians, representatives of advocacy groups and civil service. Subsidy allocation was arranged by public servants, common-interest groups and politicians within the tripartite arrangement. In this way, even small but politically integrated groups often play critical roles in economic and business governance.

Because Osaka's booming economy brought in rising tax revenues to local governments until the early 1970s, the local governments were wealthy enough to foster this tripartite arrangement between local politicians, labor unions of public servants, and common-interest groups. The tripartite arrangement became conventional and endured with the rise and ebb of tax revenues. In years that were lean, local governments in Osaka managed personnel expenses carefully in view of working morale among public servants and other stakeholders. Aligned against supporters of this harmonious tripartite arrangements, some critics and critiques did not like tripartitism when it came to public construction projects, management of public funds. Others saw a way to work with the system and not overhaul it.

5. Coordination between Osaka's city and prefectural governments

Osaka Prefecture is the second smallest prefecture in terms of acreage among the 46 prefectures⁶⁾. It consists of one village, nine towns, and 33 cities. Osaka City, which was designated as one of the first ordinance-designated cities along with four other major cities (namely, Nagoya, Kyoto, Kobe, and Yokohama) in 1951, contributes 60% of Osaka Prefecture's GDP. Based on its strong administrative power as an ordinance-designated city, Osaka's city government designs various policies for their own accounts.

Simultaneously, a large portion of Osaka's prefectural government's policies also focus on activities in Osaka City, which shares a dominant position in the economy of Osaka Prefecture. The system to coordinate policies between Osaka's city and prefectural governments have not been formalized. Some find the ambiguity helpful and strategic in managing jurisdictional boundaries. For example, the two governments both invest in public facilities such as libraries, museums,

schools, sport facilities, and the water supply system. Others prefer a clear-cut distinction in jurisdiction. They want better coordination in land use planning with neighboring cities, enhancing efficiency.

6. Osaka's reform plan initiatives

(1) Toru Hashimoto's political debut

A cyclical economic downturn and boosting local government efficiency have resulted in potential areas for upgrading Osaka's performance in terms of its social indicators⁷⁾. For example, the number of people living below the poverty line and crimes per person in Osaka can improve among the 46 prefectures, while students' academic scores in compulsory education areas for further enhancements. Osaka's challenges and opportunities augmented expectations for a new leader who would revitalize its society grew. Out of these conditions, Toru Hashimoto emerged as an entity in Osaka's political world. He was not yet in the public eye until the age of 33; however, once he appeared as a notable lawyer on an Osaka-based television program in 2003, his persona and frank discussion style attracted an audience. Quickly, he became one of the most visible TV personalities in Osaka. He ran in Osaka Prefecture's gubernatorial election in January 2008. Despite his political inexperience and lack of support from influential groups, Hashimoto enjoyed an overwhelming victory.

Hashimoto worked on his reform programs as soon as he took office. He actively launched a series of administrative system reforms in Osaka's prefectural government. For example, under Hashimoto's leadership, management of the two international airports in Osaka Prefecture, namely, Osaka International Airport and Kansai International Airport, was unified and privatized. Hashimoto urged the national government to reduce the local governments' share (and increase the national government's share) of expenses related to public construction projects in Osaka Prefecture. Hashimoto also initiated the financial reconstruction of Osaka's prefectural government by revising its management system for public-sector accounting, cutting public servants' wages, and withdrawing from business ventures jointly financed by the prefectural government and the private sector. He tackled conflicts of interest in all sectors and was unconventional in governance methods.

Unlike the majority of politicians in Osaka, Hashimoto relied on TV audiences' support and, therefore, did not depend on Osaka's established political dynamics. Thus, he worked with the mass media on awareness of prominent issues and tried to implement prevention systems. Hashimoto wanted more accountability for subsidies in the public sector and sought like-minded allies in the political realm. His policies appeared to motivate fiscal discipline among public servants. These reforms drew both appreciation and critiques. Critiques came from some local politicians and labor

unions of public servants in Osaka Prefecture. But these critics themselves also received critiques from others who are keen to have changes. This is a normal consequence of a functioning liberal democracy like Japan with a focus on public debates, contestation of ideas, public accountability, transparency, competitive political competition and due legislative processes.

As Osaka City is the biggest municipality in Osaka Prefecture, to proceed with his reform plans, Hashimoto needed to overcome/placate local opposition. When a mayoral election was scheduled for November 2012, and he decided run for reelection. Hashimoto decided to compete for the post of Mayor of Osaka City and resigned as the governor of Osaka Prefecture. Ichiro Matsui, his political ally, ran for governor. In November 2011, Hashimoto and Matsui won the mayoral and gubernatorial elections, respectively. In addition to his reform focus, Hashimoto was also active in party politics. In 2010, Hashimoto gathered like-minded people and established a local political party, the IFO. The IFO won a majority of seats in the Osaka Prefectural Assembly in the April 2011 election. In this strategy to help Osaka regain vitality, there was a desire to foster more cooperation between the Osaka City and Osaka Prefecture governments.

(2) Hashimoto's Osaka Metropolis Plan

In April 2010, Hashimoto proposed the Osaka Metropolis Plan, which can be summarized by the following two points⁸⁾:

- (i) Dissolving Osaka City and other surrounding cities into five special wards
- (ii) Making the relationship between the Osaka Prefectural Government and the governments of special wards analogous to that between the Tokyo Metropolitan Government and the 23 special wards in Tokyo

According to the non-conventional views of Hashimoto, the Osaka Metropolis Plan had two major advantages. First, by introducing mayors who would be chosen by election for the special wards, communication between the local government and citizens would be improved. Second, by clearly allotting tasks between the prefectural government and special ward governments, local governance would be more consistent and systematic. Some experts, such as Shin-ichi Ueyama and Kaoru Kida, supported Hashimoto's view⁹⁾. In terms of counterarguments, some wondered if the Osaka Metropolis Plan may cause incompatibility between special ward governments and the Osaka prefectural government. Sometimes, the Tokyo Metropolitan Government and the 23 special ward governments do not always agree on budget allocation and administrative power/tasks. This is natural given the idiosyncratic local issues and needs. Therefore, some special ward governments

in Tokyo occasionally propose the conversion of special wards to cities.

To dissolve Osaka City into special wards, Hashimoto had to follow the procedure stipulated in the Act Allowing for the Establishment of Special Wards in Non-Metropolitan Areas. The law requires citizens' approval of the Osaka Metropolis Plan through a referendum. To conduct a referendum, agreement from the assembly of the Osaka City government is necessary. The unconventional move did not meet with agreement from established Osaka City Assembly representatives drawn from major national parties such as the Liberal Democratic Party, the Democratic Party of Japan, New Komeito, and the Japanese Communist Party. They were united firmly against the referendum for good and credible reasons. After time-consuming political maneuvering, Hashimoto finally submitted a draft of the Osaka Metropolis Plan for a referendum, which was announced on April 27, 2015, and took place on May 17, 2015.

Throughout the three-week campaign period for the referendum, Hashimoto repeatedly promised that he would retire from the political world if the draft was rejected to show his commitment. The referendum resulted in the following: 694,844 (49.6%) votes in favor and 705,585 (50.4%) votes against. Accepting defeat, Hashimoto decided to retire from politics. When his term as Osaka City mayor ended in November 2015, he did not run for reelection. Despite his supporters, Hashimoto has never again run for any election for public office. While he is still a TV personality, he no longer has any official position in political circles.

(3) IFO's activities after Hashimoto's retirement

Since its establishment in April 2010, the IFO has been the biggest party in the assemblies of Osaka's city and prefectural governments. After Hashimoto left politics, the IFO carried on Hashimoto's approach for reforming Osaka's governance and revitalizing Osaka's society. The IFO advocates the following three principles. The first regards small government through deregulation and privatization. Under the IFO's initiative, some public businesses, such as the Osaka municipal subway, were privatized. The IFO also has presented cutback plans for labor costs in local governments.

The second constitutes reattempt to approve the Osaka Metropolis Plan. While the plan was rejected in the 2015 referendum, the IFO still believes the dissolution of Osaka City into special wards is necessary to improve Osaka's local governance. The IFO also recognizes that there is some room for improvement on Hashimoto's draft. Thus, the IFO is preparing a revised version of the Osaka Metropolis Plan to submit to a referendum. The third is related to the promotion of the tourism and leisure industry. Kyoto and Nara, Japan's top two historical cities, are easily accessible from Osaka. In addition, Osaka's Kansai Airport has the largest number of international LCC flights

among Japan's airports. The number of foreign visitors continues to increase, and their spending benefits Osaka's local hotels, shops, and restaurants.

To help attract more tourism, the IFO has high expectations for a large-scale development plan to construct an integrated resort zone on man-made land in Osaka Bay, modeled on Singapore's development projects in the Marina Bay area. To attract foreign tourists to the resort zone, the IFO plans to build a casino there. In 2016, the Integrated Resort Maintenance Promotion Act, known as the IR Act, was passed by the Japanese Diet. It enables the national government to designate certain areas as IR Special Zones where casino businesses are allowed. Osaka's city and prefectural governments jointly formed a special commission to create an IR Special Zone in Osaka, and the IFO has repeatedly expressed strong support for it. It is expected that the national government's designation for the land in Osaka Bay will come in 2021 or 2022.

Those who are less supportive of these business reforms wondered whether investment in the tourism and leisure industry would really revitalize Osaka's economy. They noted that, since income from the tourism industry can fluctuate and influenced by many different factors, there may be an element of cyclical upturns and downturns affecting Osaka's economy¹⁰. Conservative groups fear that a rush of foreign visitors would touch upon the lifestyles of traditional communities. In addition, some groups show concern that casino businesses may open the door to illegality and gambling issues.

7. Concluding remarks

In Japan, many manufacturing-focused cities that flourished during the industrialization period are adjusting in the post-industrialization period. Osaka is unique in the sense that non-mainstream peripheral local politicians, such as Hashimoto and IFO members, initiated reform plans. As the plans are still in their early stages, and many challenges will need to be overcome before meaningful change can occur, one cannot currently speculate on the reform outcome, which is not the main focus/concern of the article. This article is more interested in the process through which a non-mainstream politician entered reformation politics and business revitalization through the periphery. Considering that many East Asian countries are now in the late stages of industrialization, Osaka's experience could be informative for them. Non-mainstream political attempts are also interesting to study.

Notes

- 1) The Local Autonomy Act stipulates various conditions for distinguishing between cities, towns, and villages. For example, even if a municipality has a population exceeding 50,000, the municipality is not designated a city (it is designated as a town) if the total number of households in urbanized areas is less than 60% of the total number of households in its jurisdiction. For simplicity, however, this article refers to the condition pertaining to the total population only.
- 2) Osaka is located in the lower section of the Yodo River system. The number of tributaries in the Yodo River system is 965, and this system is the largest in Japan.
- 3) According to the Report on Prefectural Accounts produced by the Cabinet Office, the average annual growth rate of nominal GDP in Osaka for 1955-74 is 17.3%, which is higher than that in Tokyo (15.5%) and the national average (15.6%) (the original data are downloadable at https://www.esri.cao.go.jp/jp/sna/data/data_list/kenmin/files/contents/main_68sna_s30.html).
- 4) As explained in Section 2, Tokyo is not a prefecture but a single metropolis. After 1983, Aichi Prefecture has had the highest per-capita income among the 46 prefectures.
- 5) Some accounts of governance here: Sakaiya, Taichi, Shin-ichi Ueyama, and Eiji Hara (2012), *Osaka Ishin towa Nanika* (Initiatives from Osaka), Tokyo: Togensha.
- 6) Until 1988, Osaka was the smallest in acreage among the 46 prefectures. However, as a result of reclaimed land in Osaka Bay, Osaka's acreage surpassed Kagawa's in 1988.
- 7) Possible reference: Sakaiya, Taichi, Shin-ichi Ueyama, and Eiji Hara (2012), *Osaka Ishin towa Nanika* (Initiatives from Osaka), Tokyo: Togensha.
- 8) When Hashimoto announced the Osaka Metropolis Plan, it stipulated that Osaka Prefecture would be renamed Osaka Metropolis. However, it turned out to be impossible within the current legal framework. While Hashimoto gave up on this renaming, Hashimoto continued to call his plan the Osaka Metropolis Plan.
- 9) Ueyama, Shin-ichi and Kida, Kaoru (2015), *Kensho Osaka Ishin Kaikaku* (A Review on Osaka Reform), Tokyo: Gyosei.
- 10) Currently, the number of foreign tourists is growing so fast that hotel supply is insufficient in the Kyoto-Osaka area. In expectation of further increase of foreign tourists, hotel construction is booming. In countervailing opinions, one of the biggest real estate consultant companies, CBRE, has announced that there is a possibility that there will be a surplus of hotels in the Kyoto-Osaka area after 2020 because of a slowdown in the increase of foreign tourists. (<https://www.nikkei.com/article/DGXMZO26393640R30C18A1LKA000/>).

Formation of the Concepts of Human Resource and Human Resource Management: Transformation from Industrial Relations and Personnel Management (A Research Note)

Naoki KURIYAMA

Introduction

When we say ‘people management’ as a general term, there are the various naming of this field of concern. The terms human resource (HR) and human resource management (HRM) are used extensively by business practitioners and academic scholars. In fact, there is an HRM course taught in nearly every business school in the world. However, the interpretation of this term in local languages has caused some confusion. In Japan, for example, this term is not extensively used in the Japanese language.

The major objective of this study is to briefly review the process behind the formation of the concepts of HR and HRM, mainly from the earliest use of the term HRM to the first establishment of HRM as an academic course at the Harvard Business School in the early 1980s. In the preceding age of HRM, the terms industrial relations and personnel management were used extensively. Consequently, the transformation of these terms to HRM is also observed.

The term HRM contains a perspective to regard humans as resources. This point of view should be reviewed in the early stages of the conceptualization of HRM. Although the strategic approach tends to be strengthened in the current business environment, the original ideas of HRM should be traced to find an important message for the management of sustainable development goals.

1. Implications of Human Resource

1.1 The agreed concept of human resource in HRM

It is generally acknowledged that people management is critical for the operation of organizational activities. The term human resource management has been widely used in the academic and business worlds, specifically in the field of people management since the 1980s. It

replaced the former standards of personnel management (PM) and industrial relations (IR) in the relevant fields. PM was used as an administrative, cost-control, and non-strategic model, while IR was viewed as the role of labour relations based on collective bargaining between employers and unions. (Kaufman 2014, p.481).

One of the reasons for this transformation was the contributions made by the development of behavioural sciences (i.e. anthropology, psychology, and sociology) in people management (Kaufman 2014, p.478). Human dimensions such as the motivation of workers were becoming an important factor for effective management in the development of management theory. At a later stage, HRM became a major topic for strategic management.

In modern management theory, this approach of HRM implies the potentiality of human resources in which the management utilises the inherent ability of people. Motivation is the most represented intrinsic potentiality of people. Boxall and Purcell (2016) explain that 'human resource' is not about 'people' as a resource but is about 'employee competencies' (e.g. attitudes, skills, motivation, etc.) which are the resources used by organizations to achieve their strategic goals.

Figure 1 illustrates an overall picture of work performances by utilizing human resources. The human resources of workers can be developed as competencies, such as skills, motivation, and attitudes, for some work performance. Using these competencies, a worker can implement some tasks or jobs with external technology to realize expected performances and services. Motivation and attitude are new components of human resources adding to HRM; these are critical factors for attaining competitive advantage.

This new perspective of people management was initially propounded by John Commons in the

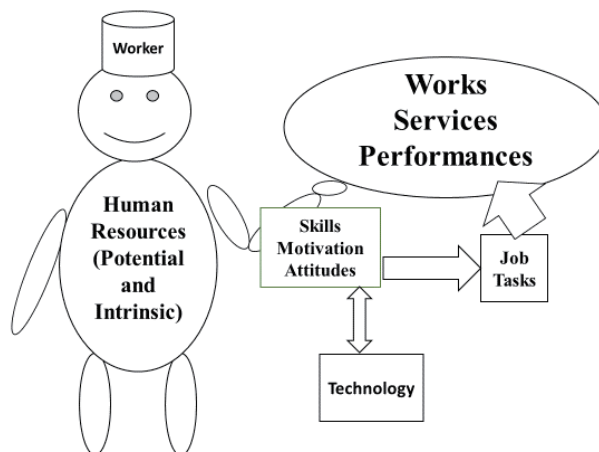


Figure 1: Human resources and work performances

(Source) Adapted and added from Sato et al. (1999)
Atarashii Jinji Romu Kanri (New personnel management), Yuhikaku, Tokyo.

early 20th century when he discussed the concept of 'human resource'. He pointed out an important human factor about employees. He said that an employee's goodwill is a competitive advantage and that investing in human skills and education would result in a more productive and strategic approach (Commons 1919, p.129; Kaufman 2007, p.23). Kaufman (2007) explained that the theme of 1920s HRM literature was to foster cooperation and unity of interest between the firm and workers.

A significant emphasis of the research in search of the terminology of human resources has been placed on one of the attitude issues: the topic of employee commitment. This attitude was induced by contracts between employees and employers. Bratton and Gold (2017, p.12) shows the effect of the employment and psychological contract between employees and employers. A psychological contract is the perception of both parties to the employment relationship (organizational and individual) and of the reciprocal promises and obligations implied in that relationship (Guest and Conway 2002, p.22). In addition to an employment contract, a psychological contract through the interaction of the HRM practices becomes a lever for 'individual commitment, motivation, and task performance beyond the expected outcome' (Bratton and Gold 2017, p.12).

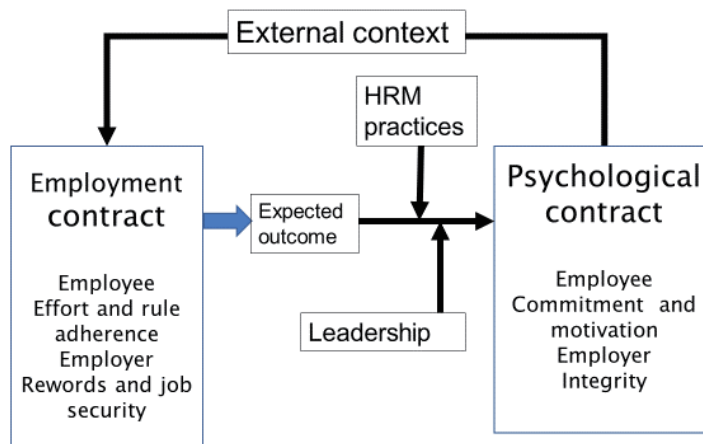


Figure 2: The employment and psychological contract between employees and employers
(Source) Bratton and Gold (2017) p12.

1.2 Key issue and practice: Employee Commitment and Management by Objectives

However, it is very difficult to keep a psychological contract intact through HRM and leadership practices. It requires employers' integrity. One of the well-known cases of HRM and leadership practice in Japan is the execution of Management by Objectives (MBO). This practice aims to keep a psychological contract intact during employment security. Figure 3 shows that the introduction rate of MBO by large companies in Japan increased rapidly from 1991, and it has

stayed at a high rate of around 80% for the last 15 years (The Institute of Labor Administration 2018 and 2010).

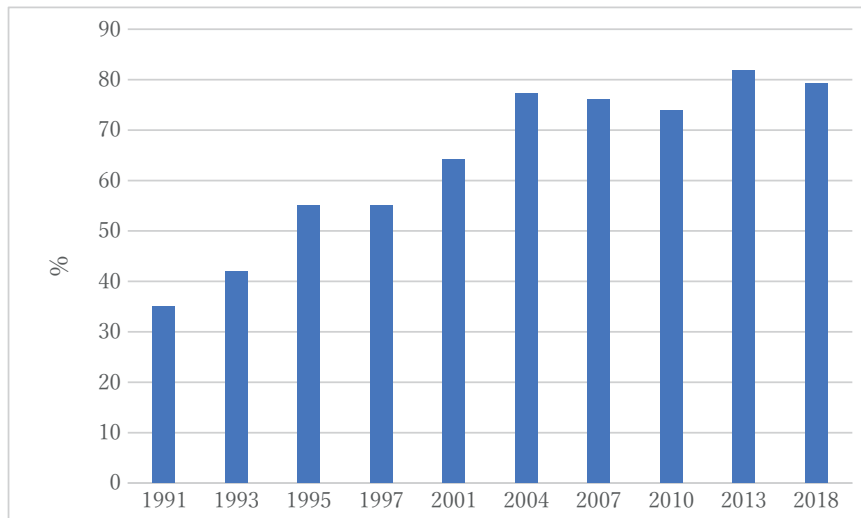


Figure 3: Execution rate of MBO in the large companies in Japan

(Source) The Institute of Labor Administration (2018, 2010). A questionnaire survey of 440 companies listed on the first section of the Tokyo Stock Exchange and the equivalents.

An employee can share the objectives of individuals and the organization through occasional meetings with leaders and followers at workplaces. Yokoyama (2004) emphasized that while aiming at the growth of individuals within the organization, MBO meetings should not result in any reward outcomes. This is important for the success of this scheme. Levinson (1970, p.134) pointed out the negative effect of MBO as self-defeating because based on the reward-punishment psychology' as it puts pressure on the employee with no real choice of objectives (Bratton and Gold 2017, p.209).

Figure 4 shows the conceptual approach of MBO for sharing objectives at different levels of management. This is a joint agreement on the employee and employer's goals. It includes periodical interim reviews during a stated period. In these reviews, appropriate inputs would be included and inappropriate goals would be eliminated. Subsequently, a review of the next common goals would be agreed on. There would be no punishment, but assistance would be given to each other for improved performance. This is a constant process of sharing objectives between individuals and the organization to ensure and improve commitment of the organization towards people's growth and organizational development, and future orientation to share their individual values and organizational vision and mission. It would be based on the voluntary perception of commitment as the dignity of an employee is respected. An intrinsic approach should be taken for a successful psychological contract and resultant commitment rather than an extrinsic approach. The integrity of

the interests of employer to MBO is important.

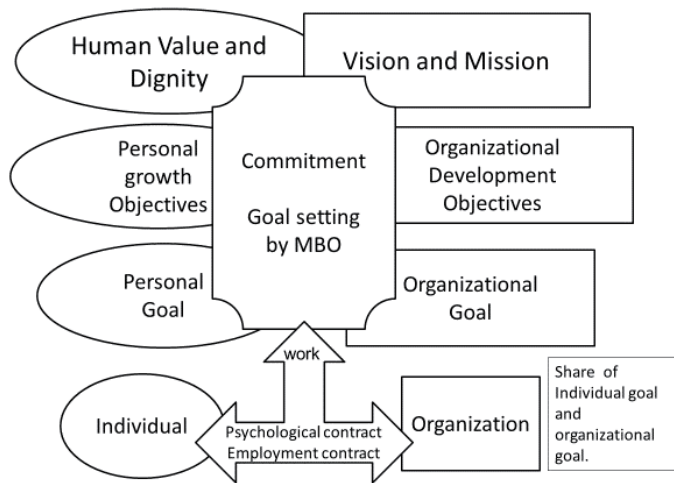


Figure 4: The process of Management by Objectives

1.3 Doubt in terms of human dignity and discussion at the International Labour Organization (ILO)

Boxall et al. (2008) define HRM as the management of work and people towards desired ends. This definition may have a contradiction with the dignity of humans. As Immanuel Kant noted, that rational human beings should be treated as an end in themselves and never as a means to something else (Kant, 1785). From this perspective, Kimakowitz et al. (2011, p.5) state that utilising ‘human resources’ merely as a means of production rather than embracing as ends in themselves is the objectification of human beings within economic activities.

If the emphasis is placed on ‘resource’ in the phrase ‘human resource’, with no emphasis on the word ‘human’, then human resource falls into the objectification of human beings. Human resource is an object to be utilized. On the other hand, if the emphasis is placed on ‘human,’ then human resources could be subjective to the phrase ‘human resources’. Human has enormous resources. For this subjectification of human resources, humans should have the right to decide for themselves without external intervention. Kimakowitz et al. (2011, p.6) pointed out that ‘avoiding this objectification and instrumentalization, people need to autonomously assume their roles to become a means to an end as a result of a self-determined process’.

The Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO) is a matter of concern. Mariappanadar (2019, p.8) explains that ‘ILO Conventions on human rights and industrial relations prohibits any human rights violation’. It

means that every individual employee has the right to voluntarily choose to do any action.

The ILO was founded in 1919 by the Treaty of Versailles after the First World War. The preamble of the ILO Constitution states that 'universal and lasting peace can be established only if it is based upon social justice'. The ILO has a unique principle of tripartism constituted by workers, employers, and government representatives to solve labour problems through the adoption and implementation of ILO Standards. After the Second World War, the ILO added the statement, 'labour is not a commodity', as a declaration that embodies its aims and purposes (Declaration of Philadelphia).

As the concept of HRM started to spread, the term human resources was discussed intensely around the same time of the adoption of the ILO Convention on Human Resources Development in 1975. It was the first time since the adoption of the ILO Standards that the term was widely used. This is very interesting because it suggested how a traditional international organization based on industrial relations integrated the new concept of human resources. After meeting with largely negative opinions in the quest to adopt the concept of human resource into the ILO Standards, it was approved as the official title of ILO Standards. The policy of training and development needed a new approach apart from the traditional matter of industrial relations. A delegate of the Norwegian government voiced a representative opinion to adopt the term human resources (ILO 1975, p.8). He said that 'this term is not only primarily associated with aspects of an economic character, but that it can also be interpreted as covering the human resources of a cultural, social and vocational nature'. The implicit concept of human resources in the plural form is an indication of 'unused resources' to be developed and taken into use for the benefit of the individual and the society.

2. A Quick Review of Genealogy of HRM

2.1 History of the emergence of Labour Problems and Industrial Relations (IR)

The history of labour can be traced back to ancient slave labour as seen during the period of pyramid construction. This was the longest-lasting and worst form of forced labour. However, a large number of wage earners were created as modern employment relations improved after industrialisation in the 19th century. In the initial stages of industrialisation, no protection for wage earners caused many problems such as child labour in coal mining and inhumane labour conditions. Alcock (1971) suggested that industrialisation induced social exclusion with extensive inequality not only in material but also in psychological wealth.

This situation led to social unrest and growing complaints of the emerging working class: the proletariat. Starting from riot activity such as the Luddite movement in 1827 in the UK, unemployed workers engaged in machine breaking in protest of the introduction of machinery. It developed into

larger-scale industrial disputes in Europe and North America.

Considering the origin of the term of HRM, the genealogy in the United States is worthwhile to review. As the roots of HRM took hold, the emergence of 'labour problems' in the 1870s to 80s (Kaufman 2014, p.461) is an important background. One of the most serious concerns of the American society at that time was radical labour movements and violent labour battles. Kaufman (2007, p.21) indicated that the Bolshevik Revolution in Russia in 1917 caused these labour problems to become a widespread concern in the United States.

Workers encouraged the labour movement to be united as labour unions for effective negotiation with employers. These relations were called 'industrial relations' (IR) because these labour relations developed from the occupational level to the industry level. In due course, the term industrial relations was used extensively in the United States and Canada in 1919–20 (Kaufman 2007, p.22) because it became a powerful means for the settlement of 'labour problems' and fixing appropriate working conditions of employees through collective bargaining between employers' and workers' representatives. The term IR was used in the other regions after the Second World War.

IR requires government involvement in labour legislation for the freedom of association and the right of collective bargaining and implantation with labour inspection. Therefore, IR requires the framework of tripartism between workers, employers, and the government.

2.2 Welfare and personnel management (PM)

Another important term that was used before HRM is personnel management (PM). In general, a company needs PM in the fields of hiring, compensation, training, and in the termination of employment. However, historically, the term PM originated from industrial welfare work (Kaufman 2007, p.20). Humanitarian employers and philanthropists such as Robert Owen in the UK and Daniel Le Grand in France provided paternalistic welfare amenities to employees and their families in the 19th century. They proposed international labour legislation to improve working conditions because one nation alone could not improve it for fear of the risk of international competition. They are regarded as pioneers for the foundation of the ILO 1919.

After the First World War, American companies created a department of PM to provide welfare services to workers. The term PM was recognized as a major part of employment management. At the time, this welfare side of personnel management pervaded in continental Europe (Kaufman 2007, p.22). The introduction of PM was accelerated in Europe and North America to mitigate radical labour movements caused by the Russian Revolution.

2.3 Scientific Management and Mass Production

Influential doctrines and the practice of new people management that appeared in the 1910s could be summarized as scientific management and mass production. Scientific management was represented by Frederick Taylor in his book *Principles of Scientific Management*, published in 1911. Taylor advocated for the division of planning and doing, and scientifically analysing all the tasks to be undertaken by employees as optimum tasks, and reducing time and motion waste. This movement was referred to as ‘Taylorism’. The core of Taylorism was the separation of tasks into their simplest constituent element (Bratton and Gold 2017, p.425). Japan was an early adopter of the credo of scientific management. Many study missions from Japanese businesses sponsored by the government and business associations visited the U.S. to observe the practices of scientific management in the 1920s (Kaufman 2007, p.25).

As a car manufacturer, Henry Ford applied major principles of Taylorism. The conveyor belt was installed to feed components and parts at each specified workplace in the assembly line. Each of the tasks in the line was interdependent and had specialized machinery. Supervision of the operation of the assembly line was important to have economies of scale and lower unit costs through standardization. This came to be known as ‘Fordism’, a representative name of mass production.

Table 1 summarizes the features of Taylorism and Fordism. Both systems had serious challenges and problems over the enormous cost of supervision, workers’ dissatisfaction, and resultant high turnover. A famous movie by Charles Chaplin interestingly described inhumane working conditions in an assembly line in 1936.

In the same period, the new idea of human resources was recognized. Kaufman (2007, p.23) introduced to John Commons (1919, p.129), a statement on the conceptual transformation from the model of labour, which was regarded as a commodity to be traded and used, to ‘the combination

Table 1: Features of Taylorism and Fordism

| | Taylorism | Fordism |
|--------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Key word | Scientific management | Mass production |
| Principles | The division of a central plan and simple task execution for employees | Standardization of tasks Economies of scale |
| Method | One best way, set optimum task by time and motion studies | Liner work sequencing in a moving conveyor line, the interdependence of tasks with specialized machinery |
| Challenges | Cost of constant supervision, lower commitment of workers | Big hire and fire, high turnover, dissatisfaction and deskilling of workers, and high absenteeism |
| Forming year | 1911 | 1908 to 1929 |

of “machine” (scientific management), “goodwill” (high commitment), and “industrial citizenship” (democratic governance) model’. The statement by Commons (1919, p.74) on the term human resource is also quoted as it suggests that the investment of human skills and education makes labour more productive and employee goodwill is a competitive advantage. This attraction of the term was transmitted to the new perspectives in the field of people management in later years.

3. The conception of Human Resource Management

3.1 Academic contribution by scholars at Harvard University

Studies of psychology centred at Harvard University contributed to the new perspectives of people management in the early stages of the predominance of IR and PM in the United States. William James at Harvard University was the first official professor of Psychology in the United States. Figure 5 shows the result of his study that part-time workers demonstrated only 20% to 30% of their expected full ability whereas highly motivated workers demonstrated 80% to 90%. He pointed out the great degree of potential motivation on performance (James 1890).

James invited Munsterberg from Germany to the professorship at Harvard from a German university. Germany was ‘the most active site for work in the new field of industrial psychology’ (Kaufman 2007, p.24). Munsterberg pioneered applied psychology in industry in his book, *Psychology and Industrial Efficiency*, published in 1913. He became the president of the American Psychological Association. These studies fostered a new movement on the importance of the human dimension of labour and long-term organizational relations (Kaufman 2014, p.466).

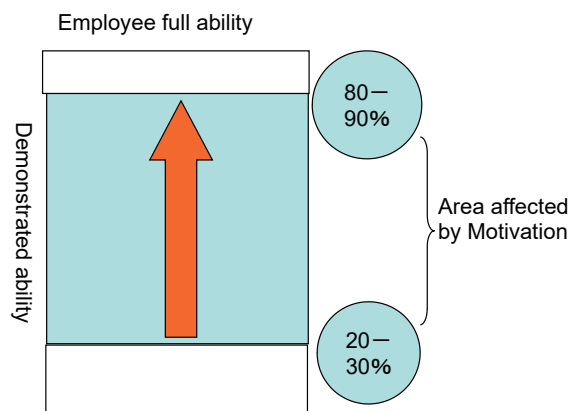


Figure 5: Potential influence of Motivation on Performance
(Source) William James, 1890.

3.2 Human Relations and Humanistic psychology

Elton Mayo was appointed to the Harvard Business School (HBS) as a professor of industrial research in 1926. His research on Hawthorne experiments at the Western Electric company provided significant results, and were critical to the human relations movement in the 1940s. Mayo identified that labour problems were caused by workers' feelings of anomie, insecurity, and alienation which are the effects of Taylor-inspired methods (Kaufman 2014 p.473). Based on the 'logic of human sentiments' and the 'logic of efficiency', psycho-social needs of workers are very important in order to gain their effective cooperation (Kaufman 2014). It opened a door to the discussion of human dimension in the management of people. Roethlisberger, an assistant of Mayo, encouraged people to discuss management from a behavioural scientific point of view.

Intrinsic motivation theories have been one of the most popular topics in people management. Self-actualization needs by Maslow is the most attractive concept to management. As Figure 6 illustrates, only self-actualization can be regarded as the intrinsic motivation to maximize one's potentials, while other needs are stimulated by others as extrinsic motivations. As Table 2 shows, McGregor's 'Theory X and Theory Y' concepts are also well-known to be integrated into PM. He suggests that management based on Theory Y should be explored. Chris Argyris proposed the concept of maturity, and Theory Y should be respected in the practice of management in terms of intrinsic motivation. Additionally, Frederick Herzberg raised the Motivation-Hygiene Theory. Hygiene factors are the characteristics associated with job dissatisfaction with no growth in output and capacity. On one hand, these are environmental factors such as money, working conditions, interpersonal relations, and supervision. On the other hand, motivators are positive effects on satisfaction with greater output. These are contained in the job itself such as achievement, recognition, growth and development and increased responsibility.

These models were called humanistic psychology because they are based on the dignity of

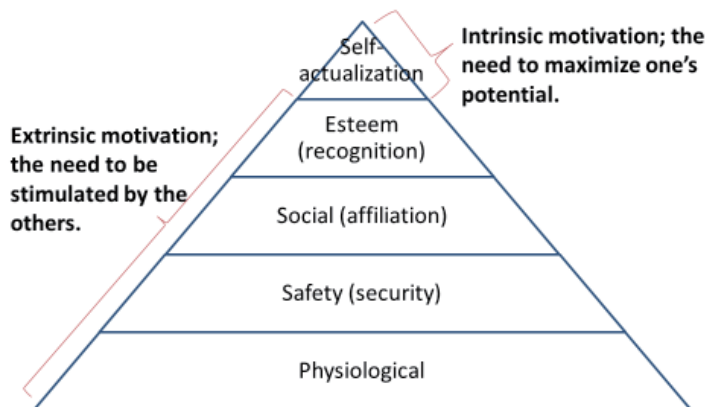


Figure 6: Maslow's Hierarchy of Needs

Table 2: McGregor's Theory X and Theory Y

| Theory X | Theory Y |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 1. Work is inherently distasteful to most people. | 1. Work is as natural as play if the conditions are favourable. |
| 2. Most people are not ambitious, have little desire for responsibility and prefer to be directed. | 2. Self-control is often indispensable in achieving organizational goals. |
| 3. Most people have little capacity for creativity in solving organizational problems. | 3. The capacity for creativity in solving organizational problems is widely distributed in the population. |
| 4. Motivation occurs only at the physiological and security levels. | 4. Motivation occurs at the social, esteem, and self-actualization level, as well as at the physiological and security levels. |
| 5. Most people must be closely controlled and often coerced to achieve organizational objectives. | 5. People can be self-directed and creative at work if properly motivated. |

the human being. The process of forming HRM involved the study of Organizational Development and Organizational Behaviour (OD/OB). Kaufman (2007 p.35) cited the findings of Martin (1975); the five most cited academic authors in the practitioner personnel literature were all behavioural scientists associated with OB/OD: Herzberg, MacGregor, Porter, Maslow, and Argyris.

3.3 The Harvard model of HRM

Thus, there had been an active contribution of academic theory to the new method of people management in the United States. Furthermore, proximity to the scholar might have promoted the interaction of the theories. Harvard University, for example, had played a key role in this interaction. Table 3 shows the major development of the ideas.

Table 3: Contribution to the concept of Human Resource Management by Harvard scholars

| Years | Advocator | Ideas |
|----------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 1890 | William James | Principles of Psychology; The effect of motivation |
| 1913 | Munsterberg | Pioneering applied psychology in industry. In 1898 he was elected the president of the American Psychological Association. |
| 1930s 1940s | Mayo/ Roethlisberger | Human relations movement; Social side of work; Hawthorne experiments |
| 1960s | Maslow*, McGregor* | Humanistic psychology |
| 1969 | Sterling- Livingston | Pygmalion Management |

(Note) * They are not associated with Harvard University.

In particular, HBS has led the new trends of practical management. Pygmalion in management written by Sterling-Livingston at HBS in 1969, for example, had an extensive popularity for the business world, and it was repeatedly printed in the *Harvard Business Review*. The Pygmalion effect can be summarized as follows (Sterling-Livingston 1969). If managers' expectations are high, productivity is likely to be excellent. If their expectations are low, productivity is likely to be poor. It is as though there was a law that caused subordinates' performance to rise or fall to meet managers' expectations. This study finds that the above quote was an impressive message from George Bernard Shaw's Pygmalion.

In the play, the former flower girl said that 'the difference between a lady and a flower girl is not how she behaves but how she's treated. I shall always be a flower girl to Professor Higgins because he always treats me as a flower girl and always will; but I know I can be a lady to you because you always treat me like a lady and always will'.

It had a stimulating message to people management in that how you treat people is more important than how people perform. The organization can release the potentials of people by the way they treat their employees. It suggested a change of perspectives of people management.

HBS set up the first course of HRM as a core subject in 1981. The leading professor, Beer, and his team released the Harvard model of Human Resource Management in the book published in 1984.

The implication of the Harvard model to HRM can be summarized as follows (Bratton and Gold 2017, p.22).

1. Human Resource Outcome has 4Cs: commitment, competence, congruence, and cost-effectiveness. These form the prescriptive for HRM.
2. These outcomes lead to long-term effects on organizational effectiveness and societal well-being. These long-term consequences have a feedback loop to stakeholder interests, situational factors, and HR policies.
3. HRM is indivisible from human growth and dignity at work. Bratton and Gold indicated that 'the underlying assumption built into the framework is that employees have talents that are rarely fully utilized' based on the assumption inherent in McGregor's 'Theory Y' (Bratton and Gold 2017, p.22).
4. The strength of the Harvard model lies in its classification of inputs and outcomes at both organizational and societal levels. The Harvard model was the first comprehensive statement on the nature of HRM (Bratton and Gold 2017, pp.19-20).

Kaufman (2007, p.34) summarized the claim by Beer that 'IR/PM are reactive, piecemeal

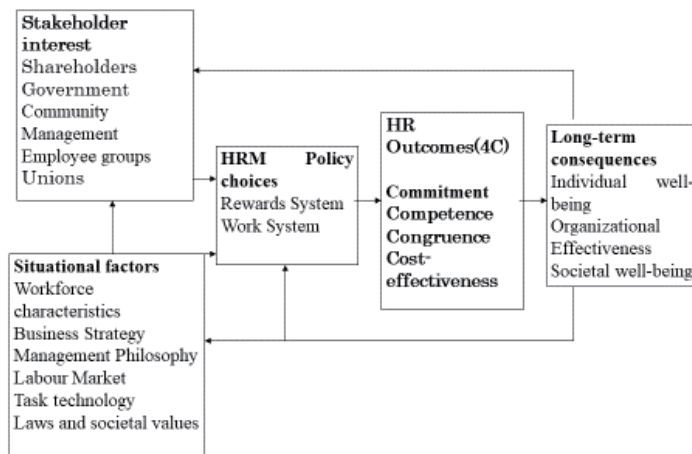


Figure 7: The Harvard Model of HRM

(Source) adapted from Beer, et al. (1984), some parts have been changed and added by the author.

part of a command and control the employment system, mediators of conflicting interests, and takes a short-term perspective; HRM, on the other hand, is proactive, integrative, part of employee commitment, and the participation system’.

John Storey (1992) provided a distinction between IR/PM and HRM as shown in Table 4. Storey (1989) identified the development of two streams of HRM after the Harvard model. He labelled the Harvard model as Soft HRM whereas the other stream was labelled Hard HRM. Soft HRM can be rooted in human relations school, focusing on the improvement of workers’ commitment by the care of relationship of workers (Bloisi 2007,p.14).

Table 4: Points of difference PM/IR and HRM

| | PM/IR | HRM |
|--------------------|--------------------------------------------------------------|------------------------------------------------------------------|
| Assumptions | ① Compliance ② Monitoring ③ High Standardization | ① Commitment ② Nurturing ③ Low Standardization |
| Managerial aspects | ① Supervision ② Separate ③ Execution | ① Development ② Integrated ③ Independent and participation |
| Strategic aspects | ① Short term ② Formal, centralized ③ Cost minimization | ① Long term ② Organic, flexible ③ Maximum utilization |

(Source) Adapted from Storey (1992)

4. Conclusion

Before the extensive agreement on the concept of human resource and HRM, there have been various developments concerning people management. Rising 'labour problems' required one to face the need for solving radical labour conflicts between employers and employees. The terms IR and PM appeared before this period.

In the process of modern industrialisation, the school of human relations and the contribution of psychology and behavioural sciences moved the direction of the theory and applied practices into a new direction away from traditional IR and PM. In particular, the academics at business schools in the United States started to use the term human resource and set up a course in HRM at the Harvard Business School in the 1980s. Beer et al. released the Harvard Model of HRM as a comprehensive model for analytical works and prescriptive work for academics and practitioners.

The adoption of the ILO Standards concerning human resources development was interesting to see how the traditional international system based on IR and PM integrated the concept of human resources without denouncing the objectification of people as resources. The ILO was set up in 1919 after the First World War so that it could adopt International Labour Standards to solve labour problems by international action. After the Second World War, the ILO restarted as a specialized agency of the United Nations, clarifying the principle that 'labour is not a commodity'. The perspective of the 'subjectivisation' of humans was kept in the ILO Standards. The introduction of the term human resources was a symbolic event and coherent with the development of IR and PM.

This review is important as it helps to understand the point of departure from the traditional concepts to the concepts of human resources and HRM as seen today. Business requires renewed people management in globalizing and realizing their Sustainable Development Goals.

Acknowledgement

The author would like to thank Editage (www.editage.jp) for English language editing.

References

- Alcock, A. (1971) *History of International Labour Organization*, Macmillan, London, p.6.
- Beer, M. Spector, B., Lawrence, P. R., Quinn Mills, D. and Walton, R. E. (1984) *Managing Human Asset*, The Free Press, New York.
- Bloisi, W. (2007) *An Introduction to Human Resource Management*, McGraw-Hill, Berkshire.
- Boxall, P. F., and Purcell, J. (2016) *Strategy and Human Resource Management (4th edition)*, London, Palgrave. p.1.
- Boxall, P. F., Purcell, J., Wright, P. M. (ed) (2008) *The Oxford Handbook of Human Resources Management*, Oxford University Press.

- Bratton, J. and Gold J. (2017) *Human Resource Management: Theory and Practice*, 6th edition, Palgrave Macmillan.
- Commons, J. (1919) *Industrial Goodwill*, McGraw-Hill, New York. cited in Kaufman (2007).
- Guest, D. E. and Conway, N. (2002) 'Communicating the Psychological contract: an employer perspective', *Human Resource Management Journal*, 12 (2):22-38.
- ILO (1975) *Human Resources Development: Vocational guidance and vocational training. Report IV (2)*, International Labour Conference 60th Session, Geneva.
- The Institute of Labor Administration (2018, 2010) *Survey of the execution of human resource management schemes in 440 private companies in Japan* (in Japanese), Tokyo, September 5.
- James, W. (1890) *The Principles of Psychology*, 1. Macmillan, London.
- Kant, I. (1785) *Groundwork of the Metaphysic of Morals*, Koenigsberg.
- Kaufman, B. E. (2007) The Development of HRM in Historical and International Perspective, in Boxall P. Purcall J., Wright P. (ed.) (2007) *The Oxford Handbook of Human Resource Management*, Oxford University Press.
- Kaufman, B. E. (2014) The origins, evolution, and current status of human resource management in the United States, *The development of human resource management across Nations: Unity and Diversity*, (Kaufman ed), Edward Elgar Pub.
- Kimakowitz, E. V., Pirson, M., Spitzbeck, H., Dierkmeier, C., Aman, W., (2011) *Humanistic Management in Practice*, Humanism in Business Series, Palgrave Macmillan, London.
- Levinson, H. (1970) 'Management by whose objectives?', *Harvard Business Review*, July/August.
- Mariappanadar, S. (ed) (2019) *Sustainable Human Resource Management : Strategies, Practices and Challenges (Management, Work and Organisations)*, Red Globe Pr.
- Martin, J. (1975) 'The influence of the Behavioral Sciences on Management Literature', *Personnel Journal*, 54/March. pp.150-153.
- Sato et al. (1999) *Atarasi Jinji Romu Kanri* (New personnel management), Yuhikaku, Tokyo.
- Sterling-Livingston, J. (1969, 1988 reprinted) 'Pygmalion in Management', *Harvard Business Review*, September - October 1988.
- Storey, J. (1989) *New Perspectives of Human Resource Management*, Routledge, London.
- Storey, J. (1992) *Development in the Management of Human Resources*, Oxford, Blackwell.
- Yokoyama, T. ed. (2004) *Career Development and Career Counseling (in Japanese)*, Japan Productivity Center, Tokyo.

デンマーク金融システムの概要

志 村 裕 久

はじめに

デンマークを含めた北欧諸国は、今では数多くの先進国が取り組んでいる低金利政策の取り組みを早くから始めている。日本と同様に低金利政策をとりながら、健全な経済成長を続けているデンマークの金融市場について詳細に分析した報告が少ない。本稿では、デンマークの経済状況、金融市場、ヨーロッパ圏内の銀行との比較を通して、デンマークの金融システムについて明らかにしていく。特に、デンマークでは、過去10年間、特にリーマンショックによる金融危機後、金融機関での再編が進んでいることに注目し、規制当局の業界再編への取り組みについて分析を行う。

デンマークの経済状況

デンマークは医薬品、海運、および再生可能エネルギーの世界的大手企業と、高い技術力を有する農業部門を備えており先進産業を有していることが特徴といえよう。デンマーク（フェロー諸島及びグリーンランドを除く）の国土の大きさは、約4.3万平方キロメートルと九州とほぼ同じ面積である。また、人口も約581万人と兵庫県とほぼ同じ人口数である（外務省）。ちなみに、デンマークにおける人口動態は、15歳未満の人口が全国民に占める比率は1980年の21%から2019年には16%まで減少、65歳以上の人口が全国民に占める比率は1980年には15%であったが、2019年には20%（OECD data）と、日本同様に少子高齢化が進んでいる。ちなみに、2019年7月時点での日本での15歳未満の人口が全国民に占める比率は12%、65歳以上の人口が全国民に占める比率は28%である。デンマークとの比較では、日本の方が少子高齢化の影響を大きく受けていることがわかる。ちなみに、デンマークは81.1歳、日本の平均寿命は84.1歳となっており、女性一人当たりの出生率はデンマークでは1.78人、日本では1.42人となっている（OECD data）。

International Monetary Fund（IMF）に基づく名目ベースの2018年度の国内総生産（GDP）総額の比較では、352,058百万ドルで38位と、日本のGDP（4,971,767百万ドル）と比較すると、10分の1以下である。GDPの構成比を比較すると、日本では民間消費が55.5%、デンマークでは48%となっている。また、政府消費では日本が19.6%、デンマークでは25.2%と政府消費が

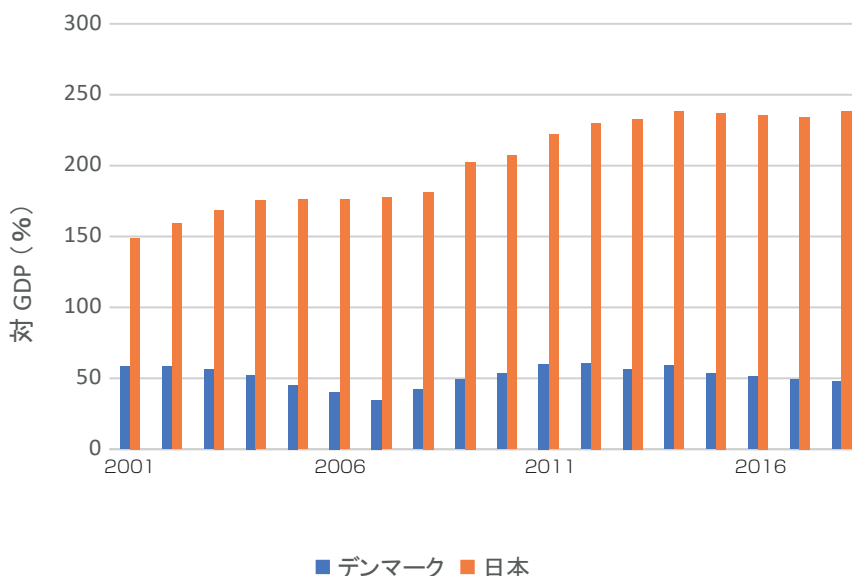
高いことが特徴である。GDPに占める輸入額及び輸出額を比較すると、日本は16から17%前後であるのに対して、デンマークでは半分近くを占めている。特に、デンマークからの欧州諸国を含めた輸出額はGDPの54.5%を占めており、日本以上に輸出に依存していることがわかる。また、GDPを農業、工業、サービス業の3分類で比較すると、農業においてはさほど大きな差が生じていないが、デンマークでのサービス業が占める比率が75.8%と高く、日本が68.7%であることを考えると、デンマークでのサービス業の付加価値の高さがわかる。

国民の生活水準などを示す指標として用いられる一人当たりGDPの比較では2018年度デンマークの一人当たりGDPが60,897百万ドル（10位）、日本が39,304百万ドル（26位）となっており（OECD Data）、日本との産業構造の違い等もあるが、デンマーク人は高い生活水準を享受しているものと考えられる。

投資家が債務の将来の支払いを行うための国の能力を測定するために、GDPに対する政府債務の割合が用いられる。日本とデンマークとの数値を比較すると、日本の数値は、2018年度には238.2%と過去最高値を更新しており、1980年に記録した過去最低の50.6%から上昇傾向にある。一方で、デンマークの値は34.1%と、世界的に見ても低い水準にある（図表1）。ちなみに、1999年には58.1%と最も高く、2007年には過去最低の27.3%であった。このようにGDPに対する政府債務が低いことが、デンマークが格付け会社から最高位であるAAAを付与されている要因の一つであるといえよう。

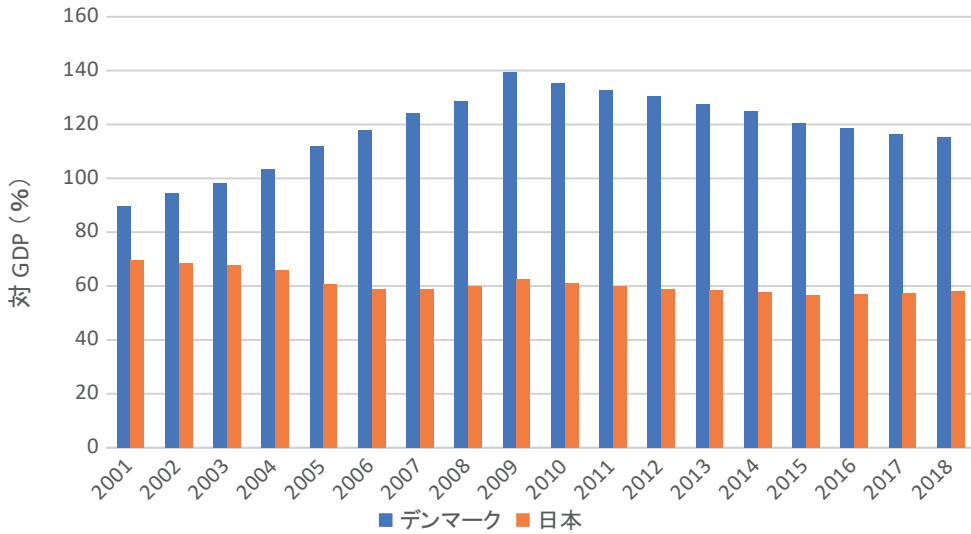
一方で、GDPに占める家計債務の比率では反対の状況である（図表2）。デンマークでは、2019年第2四半期のGDPの114.9%と、1994年から2019年までのGDPの平均108.0%と高水

図表1 GDPに対する政府債務の割合の推移



出所：OECD data

図表 2 GDP に対する家計債務の割合の推移



出所：International Monetary Fund

準で推移している。一方で、日本の場合には、2019年の第2四半期のGDPは58.7%に増加しているが、デンマークとの比較では低水準であることがわかる。また、デンマークの過去最低値は1994年第4四半期のGDPの69.1%で、日本の過去最高値である1999年の第4四半期のGDPの72.2%であることを考えると、デンマーク人の借入れが大きいことがわかる。

デンマークの経常収支は1990年以来1998年を除いて黒字が続いており、2019年10月に単月として史上最高額である274億デンマーククローネ（DKK）（約2兆5717億円）に達した（図表3）。Leszczuk & Pojar (2016) は、2000年以前は商品とサービスを中心とした貿易収支による黒字がけん引しているが、近年では海外からの投資収入の増加も経常収支に大きく貢献していると述べている。

デンマークの金融市場の状況

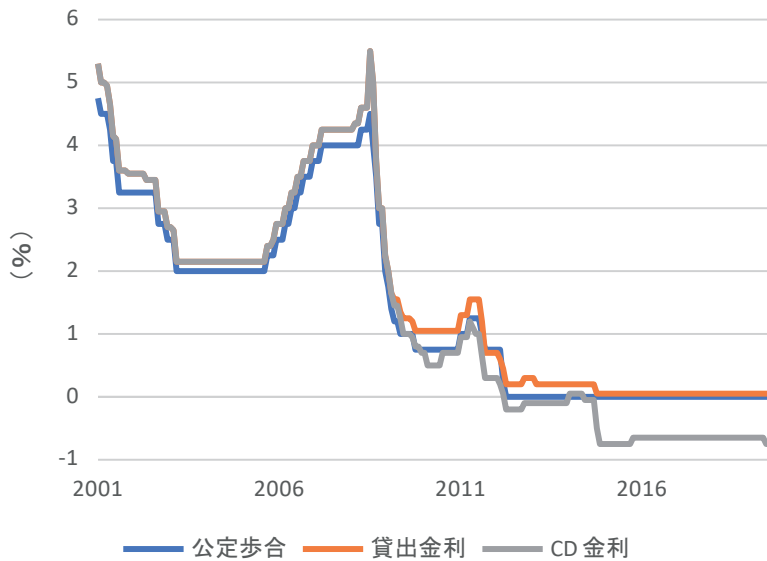
デンマークは日本と同様にデフレ環境に置かれており、2012年7月よりゼロ金利政策を実施している（図表4）。実際に、IMFが公表している2018年のインフレ率ランキングでは190ヶ国中176位（日本は163位）であり、デンマークにおける2018年度のインフレ率は0.7%と日本よりも低い水準にある。このような状況下において、デンマークのベンチマーク金利である3ヶ月CD金利は2015年2月にはマイナス0.75%を記録し、その後一時回復したものの、現在では同水準のマイナス0.75%で推移している。ちなみに、ベンチマーク金利を決定するデンマークの中央銀行の主な政策目標は、ユーロの為替レートを7.46038クローネの上下いずれかで2.25%以内に抑え、インフレを低く抑え、輸出業者に安定性を提供することである。

図表3 デンマークにおける経常収支の推移



出所：Statistics Denmark

図表4 デンマークの主要金利 (%)



出所：Statistics Denmark

デンマークの銀行貸出金利に関しても、2015年1月の0.05%という過去最低水準からの金利の上昇は見られない。このような環境下において、2019年8月にはデンマークで第3位の Jyske Bank は10年固定住宅ローン金利をマイナス0.5%へ引き下げた。Jyske Bankによると、同行が金融市場から資金調達する際の10年債の金利がローン金利のマイナス0.5%を下回っていることから、マージンを確保できるとしている (Jyske Bank)。また、Nordea Bank は、Jyske Bank に

図表5 デンマークの銀行貸出金利と預金金利とのスプレッドの推移（%）



出所：Statistics Denmark

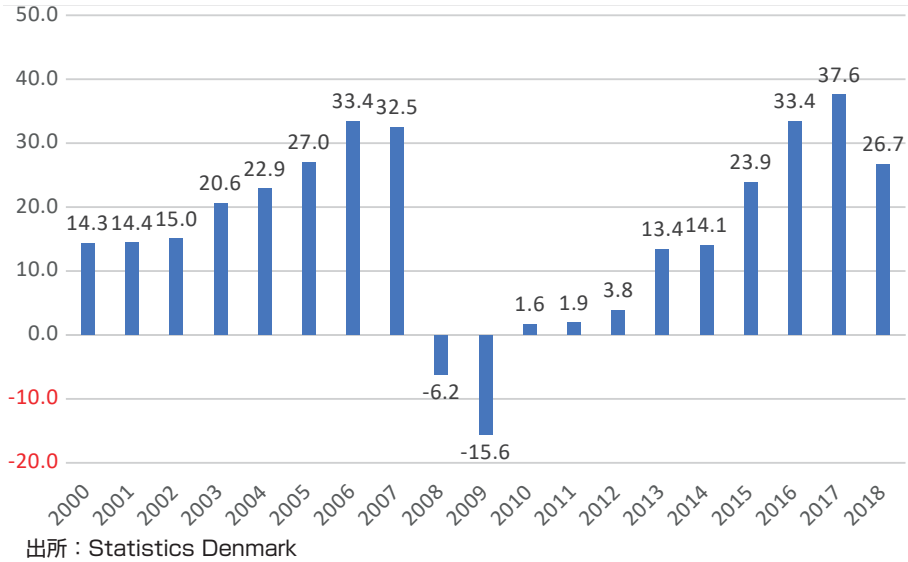
追従し、20年固定住宅ローンを金利0%で提供している。

参考までに、デンマークの銀行貸出金利と預金金利とのスプレッドの推移を見る（図表5）と、2000年前半には4%前後のスプレッドを維持し、その後2005年から2007年までにかけて低下したが、2017年までは2.5%前後のスプレッドを維持できた。その後、スプレッドは圧縮されて、2019年第3四半期には過去最低水準の2.1%まで低下している。

また、日欧の銀行の貸出金利を比較すると、ユーロ圏では2014年6月、日本では2016年1月のマイナス金利の導入以降は、銀行の貸出金利が低下し、企業の資金調達コストの低下につながっている。また、銀行の貸出残高の動向をみると、日欧ともに貸出残高は堅調に伸びている。貸出先の内訳をみると、ユーロ圏では非金融法人への貸出が伸びず個人向けに偏っているのに対し、日本では個人向けに加えて、中小企業向けについても堅調に貸出残高が伸びていることが報告されている（内閣府）。一般的には、マイナス金利の副作用として、金融機関の収益への懸念が指摘されることが多いが、デンマークの金融機関の損益の2000年から2018年までの推移を見ると、2017年度の金融機関の損益はリーマンショック前のピークである334億DKK（約5439億円）を超えて、376億DKK（約6119億円）となった。低金利という厳しい環境下においても、デンマークの金融機関は着実に利益を確保し、成長を続けていることが確認できる（図表6）。

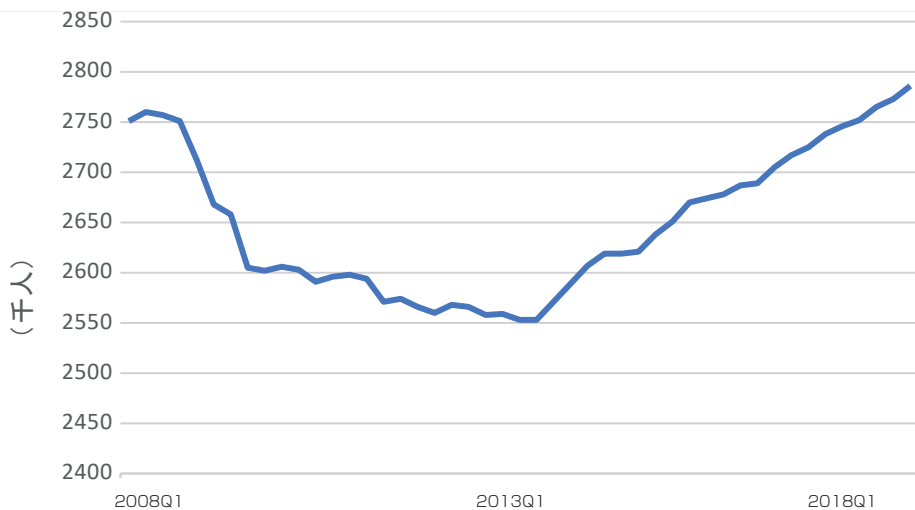
デンマークの金融機関がリーマンショック以降の収益を改善した背景には、内的要因と外的要因に分けて考えられる。内的要因は3つの要因すなわち、好調な雇用環境、可処分所得の上昇、そして、住宅価格の上昇が考えられる。デンマークの雇用者数は、リーマンショック以前は、2008年第2四半期の2760千人をピークに、2014年第一四半期まで低下したが、その後回復を続けている。2019年第一四半期にはリーマンショック以前の最高値を上回る2750千人とな

図表 6 デンマークの金融機関における損益推移

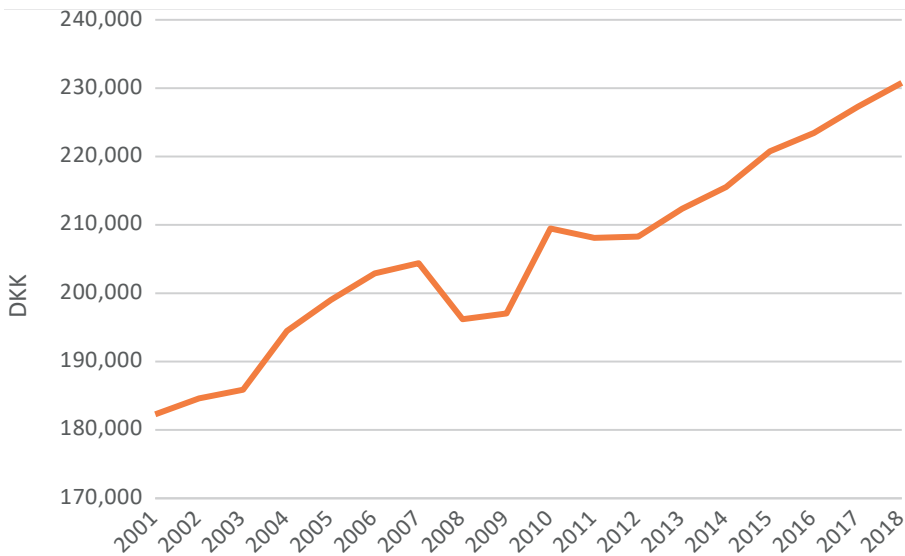


り、2019年第3四半期には過去最高の2786千人となっている（図表7）。ちなみに、2019年10月のデンマークでの失業率は3.7%まで低下しており、EUの失業率が6.3%、ユーロ圏の失業率が7.5%であることを考えると、デンマークでの労働市場は他の欧州諸国と比較して、逼迫していると考えられよう。

図表 7 デンマークにおける雇用者数の推移



図表 8 平均可処分所得の推移



出所：Statistics Denmark

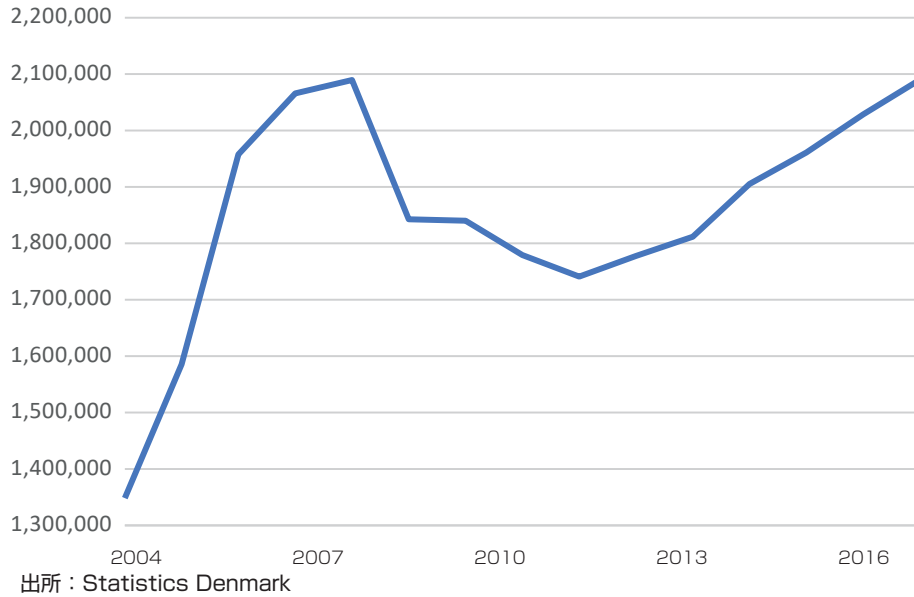
次に、可処分所得の平均額の推移を見ると、リーマンショックによる影響はあったものの、順調に拡大していることが確認できる。ちなみに、リーマンショック以前の最高額は 204,391DKK（約 333 万円）であったが、2010 年には 209,474DKK（約 341 万円）まで回復し、2018 年には 230,769DKK（約 376 百万円）と過去最高額を更新している（図表 8）。ちなみに、日本の一定期間における可処分所得に対する貯蓄所得の比率に相当する家計貯蓄率は、2019 年 6 月に過去最高水準である 55% をマークしたのち、2019 年 10 月には 29.3% まで低下している（OECD data）。一方で、デンマークでは、個人所得の合計に対する貯蓄率を示す家計貯蓄率は過去の最高水準値が 2016 年第 1 四半期の 16.1% であり、日本と比較すると低水準である。また、過去最低値は 2014 年第 4 四半期の -2.95% であり、個人レベルでの資金に対する考え方が大きく異なることが確認できよう。

最後にデンマークの経済の成長を支えている内部要因は、過去最高水準を更新している住宅価格の上昇と考えられる。デンマークの平均不動産価格は 2004 年には 1,348,253DKK（約 2,195 万円）であったが、2008 年には 2,089,489DKK（約 3,402 万円）と約 1.5 倍まで上昇した（図表 9）。その後リーマンショックによる世界的景気後退の影響で、2012 年の住宅価格は、2008 年比 17% 低下の 1,740,990DKK（約 2,835 万円）となったが、その後上昇トレンドが続き、2018 年には過去最高の 2,090,208DKK（3,404 万円）まで上昇した。

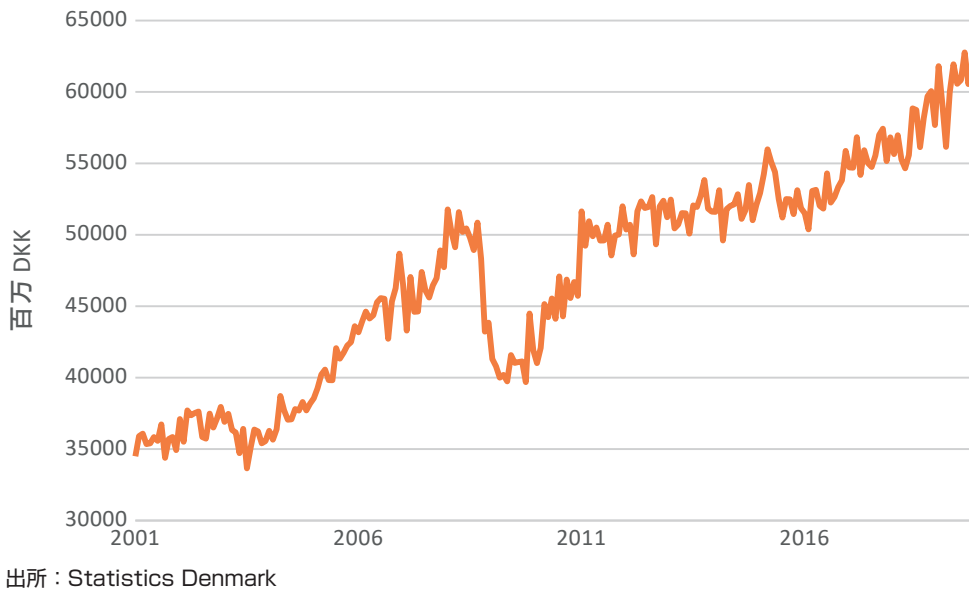
外的要因としては、GDP の半分以上を占める輸出が好調であることである。2008 年 1 月に 517 億 DKK を記録した後、リーマンショックの影響により、2009 年春以降、400 億 DKK 前後を推移したが、2011 年以降急速に改善し、2011 年 1 月には 500 億 DKK を超え、世界的な景気

後退懸念にもかかわらず2019年8月には過去最大の628億DKKとなった(図表10)。このような背景から、低金利がデンマークにとってはプラスの影響となっていると考えられる。

図表9 デンマーク平均不動産価格



図表10 デンマークの輸出金額の推移



欧州市場におけるデンマーク金融市場の位置づけ

2017年度末現在 EU28ヶ国には、6250の金融機関（銀行、住宅ローン信用機関、生保等）が存在しており、総資産は43兆ユーロであった（図表11）。2008年の金融危機に続いて欧州の銀行が実施した資本増強の取り組みにより、強固な資本基盤を構築し、バランスシートを強化し続けている。また、総資産に対する預金負債の割合は53.4%と高く、資金調達源としての預金への依存度が高いことが確認できる。

図表11 ユーロ圏及び Non-ユーロ圏内における国別金融機関の資産状況の比較（2017年度末）

| (百万ユーロ) | 金融機関数 | 資産 | ローン | 預金 | 資本金 |
|------------------|-------|------------|------------|------------|-----------|
| ドイツ | 1,632 | 7,710,842 | 4,908,849 | 4,765,973 | 583,218 |
| オーストリア | 572 | 813,121 | 534,929 | 515,874 | 74,770 |
| イタリア | 546 | 3,716,546 | 2,476,501 | 2,562,974 | 437,734 |
| フランス | 422 | 8,452,768 | 4,929,089 | 4,355,340 | 609,632 |
| アイルランド | 347 | 1,052,659 | 306,165 | 301,612 | 83,241 |
| フィンランド | 267 | 451,885 | 348,969 | 220,292 | 26,322 |
| スペイン | 206 | 2,723,194 | 1,680,676 | 1,888,209 | 292,609 |
| その他ユーロ圏 12ヶ国 | 777 | 5457546 | 3120394 | 2939364 | 457854 |
| ユーロ圏 | 4,769 | 30,378,561 | 18,305,572 | 17,549,638 | 2,565,380 |
| 英国 | 370 | 8,995,107 | 4,040,049 | 3,849,684 | 712,143 |
| スウェーデン | 156 | 1,390,425 | 810,350 | 491,657 | 91,877 |
| デンマーク | 100 | 1,070,239 | 649,403 | 318,081 | 63,702 |
| その他 Non-ユーロ圏 6ヶ国 | 855 | 1,054,236 | 797,543 | 681,994 | 143,206 |
| EU-28ヶ国平均 | 6,250 | 42,888,568 | 24,602,917 | 22,891,054 | 3,576,308 |

出所：European Banking Federation

デンマークの金融機関の自己資本比率は6.0%となっており、EU28ヶ国の平均の8.3%を大きく下回っている（図表12）。また、預金総額をローンで割った預貸率での比較では、EU28ヶ国の平均の107.5%を大きく上回る204.2%となっており、欧州では最も高く、デンマークの銀行の積極的な融資が確認できる。また、デンマークの預金額は3,180億ユーロであり、他の北欧諸国であるスウェーデンやフィンランドと同様に、預金が資産の半分以上を占めており、預貸率も他のEU諸国と比較しても高いことから、北欧における独自の金融モデルの在り方が影響していると考えられる。

欧州中央銀行が超低金利政策を維持しているため、欧州の銀行が直面する主要な課題は収益性であると考えられる。欧州の銀行の平均株主資本利益率は2017年のEU28で5.6%であった。

図表 12 ユーロ圏及び Non-ユーロ圏内における国別自己資本率と預貸率（2017年度末）

| | 自己資本比率 | 預貸率 |
|-----------------|--------|--------|
| ドイツ | 7.6% | 103.0% |
| オーストリア | 9.2% | 103.7% |
| イタリア | 11.8% | 96.6% |
| フランス | 7.2% | 113.2% |
| アイルランド | 7.9% | 101.5% |
| フィンランド | 5.8% | 158.4% |
| スペイン | 10.7% | 89.0% |
| その他ユーロ圏 12ヶ国 | 8.4% | 106.2% |
| ユーロ圏 | 8.4% | 104.3% |
| 英国 | 7.9% | 104.9% |
| スウェーデン | 6.6% | 164.8% |
| デンマーク | 6.0% | 204.2% |
| その他ユーロ圏非加盟国 6ヶ国 | 13.6% | 116.9% |
| EU28ヶ国平均 | 8.3% | 107.5% |

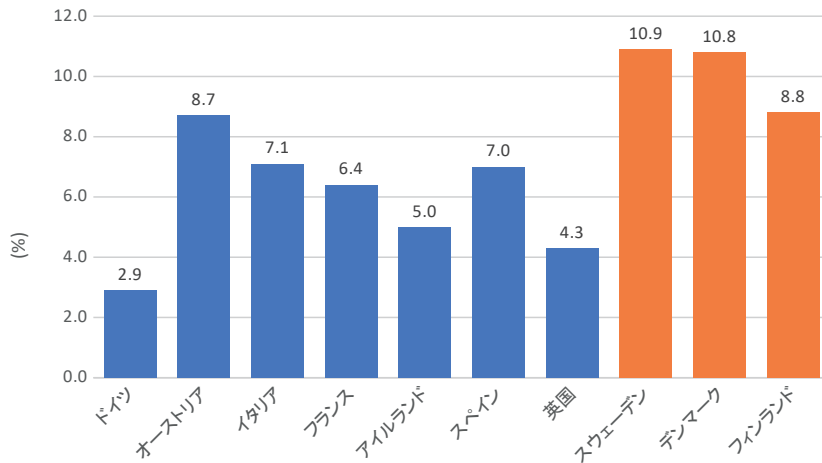
出所：European Banking Federation

金融危機以前のピークである 10.6%と比較すると、ほぼ半分の水準であるが、2007 年以来最高の水準であった。ほとんどの国では平均株主資本利益率がプラスであるが、東欧 3ヶ国（ハンガリー（14.5%）、チェコ共和国（13.0%）、ルーマニア（11.7%））及び北欧 2ヶ国（スウェーデン（10.9%）、デンマーク（10.8%））の銀行の株主資本利益率は 2桁に達している。一方で、キプロス、ギリシャ、およびポルトガルの銀行の平均株主資本利益率はマイナスであった。ちなみに、EU の最大の経済圏では、2017 年の平均株主資本利益率は、イタリアで 7.1%、スペインで 7.0%、フランスで 6.4%、イギリスで 4.3%、ドイツで 2.9%であった（図表 13）。このように、スウェーデンとデンマークの銀行の平均株主資本利益率が他の欧州諸国に比べて高いことが確認できる（European Banking Federation 2019）。

なお、世界的な金融危機により、不良債権が問題となり、2012 年の EU 全体のピーク不良債権比率は 7.5%になっていたが、現在はローン拡大策に起因し、不良債権は大幅な減少となった。2017 年では、EU の不良債権比率は 3.7%と、世界平均の 3.74%をわずかに下回っており、大きな懸念事項ではなりつつある（European Banking Federation 2019）。

このように、他の西欧諸国の大手銀行との比較では、営業している地域の規模的な影響は大きいですが、デンマークを含めた北欧諸国の金融機関は、高い収益率を確保している。このことは、北欧諸国における独自のシステムが起因している可能性があると考えられる。この件についての研究は、今後の課題としたい。

図表 13 2017 年度欧州圏の主要諸国における銀行の平均株主資本利益率の比較（単位：％）



出所：European Banking Federation

デンマークにおける商業銀行の状況

デンマークでは、金融機関として 334 機関があり、商業銀行と貯蓄銀行（Commercial banks and savings banks）が 71 機関、住宅ローン信用機関（Mortgage-credit institutions）が 7 機関、生命保険会社が 19 機関、投資、特別目的、制限付きおよびヘッジ協会（Investment, special purpose, restricted and hedge associations）が 58 機関、年金基金が 14 機関、企業年金基金が 17 機関、損害保険会社が 65 機関、投資会社が 42 機関、投資顧問会社 13 機関、デンマーク船舶金融（The Danish Ship Finance）が 1 機関、（Investment companies）、その他が 27 機関となる（図表 14）。資産総額で比較すると、住宅ローン信用機関が最も構成比が高く、デンマーク金融市場の 32% を占めており、次に商業銀行と貯蓄機関の 27% である。このように、デンマーク金融市場の特徴として、不動産市場における金融事業が大きいことが挙げられる。また、資本金では商業銀行と貯蓄機関が最も多く、全体の 44% を占めている。また、税引き前利益では、投資、特別目的、制限付きおよびヘッジ協会が金融機関全体の 41% を占めており、次に商業銀行と貯蓄機関が 33% となっている。

デンマーク金融システムの特徴としては、運転資本（Working capital）による銀行のグループ化を行っており、4つのグループが存在する。グループ1は運転資本が750億DKK以上で、Danske Bank A/S、Sydbank A/S、Jyske Bank A/S、Nycredit Bank A/Sの4行が属している。グループ2は運転資本が120億DKK以上で12行、グループ3は運転資本が7億50百万DKK以上で34行、グループ4は運転資本が7億50百万DKK未満の銀行で15行が属している。なお、運転資金額が合併等で変化するため、グループ間の移動は過去のデータから見受けられる。デンマークでは、システムの重要な金融機関（systemically important financial institutions; SIFI）

図表 14 2017年度のデンマークの主要金融機関の機関数、資産総額、税引き前利益の比較

| 2017年度 (単位：百万 DKK) | 機関数 | | 資産総額 | | 資本金 | | 税引き前利益 | |
|--------------------------|-----|------|------------|------|---------|------|---------|------|
| | 数 | 構成比 | 金額 | 構成比 | 金額 | 構成比 | 金額 | 構成比 |
| 商業銀行と貯蓄銀行 | 71 | 21% | 3,416,872 | 27% | 302,310 | 44% | 41,638 | 33% |
| 住宅ローン信用機関 | 7 | 2% | 3,945,763 | 32% | 208,651 | 30% | 21,236 | 17% |
| 生命保険会社 | 19 | 6% | 2,367,759 | 19% | 55,778 | 8% | 3,254 | 3% |
| 投資、特別目的、制限付き およびヘッジ協会 | 58 | 17% | 988,722 | 8% | n.a. | n.a. | 51,119 | 41% |
| 年金基金 | 14 | 4% | 726,664 | 6% | 96,198 | 14% | 6,687 | 5% |
| 企業年金基金 | 17 | 5% | 56,029 | 0% | 6,760 | 1% | -522 | 0% |
| 損害保険会社 | 65 | 19% | 1,695 | 0% | 1,123 | 0% | 129 | 0% |
| 投資会社 | 42 | 13% | 3,198 | 0% | 1,909 | 0% | 1,046 | 1% |
| 投資顧問会社 | 13 | 4% | 2,744 | 0% | 3226 | 0% | 758 | 1% |
| デンマークの船舶金融 | 1 | 0% | 58,161 | 0% | 9,307 | 1% | 427 | 0% |
| その他 | 27 | 8% | 943,090 | 8% | 1147 | 0% | -404 | 0% |
| 合計 | 334 | 100% | 12,510,697 | 100% | 686,407 | 100% | 125,369 | 100% |

出所：Statistics Denmark

が存在する。SIFI は、システムの重要性に応じて、リスク加重資産の 1～3% の SIFI 資本バッファ要件の対象となる。SIFI として認識されるには、定量的基準（①総資産額が GDP の 6.5% 以上、②融資額がセクター全体の融資額の 5% 以上、③預金額がセクター全体の預金額の 5% 以上）を 2 年連続で満たす必要がある。2014 年 6 月には Danske Bank、Nycredit Realkredit、Nordea Bank Danmark、Jyske Bank、Sydbank、DLR Kredit の 6 行が SIFI 基準を満たしていた。

ちなみに、デンマークの金融機関の集中度は高い。デンマークの銀行の総資産額の 86.5% がグループ 1 に集中しており、同じくローン額も 84.4%、預金も 87.1% となっている（図表 15）。特にデンマーク最大の銀行である Dansk Bank の集中度が大きいことがデンマーク金融市場における特徴の一つといえよう。

図表 15 2017年度末グループ別総資産、ローン、預金の比較

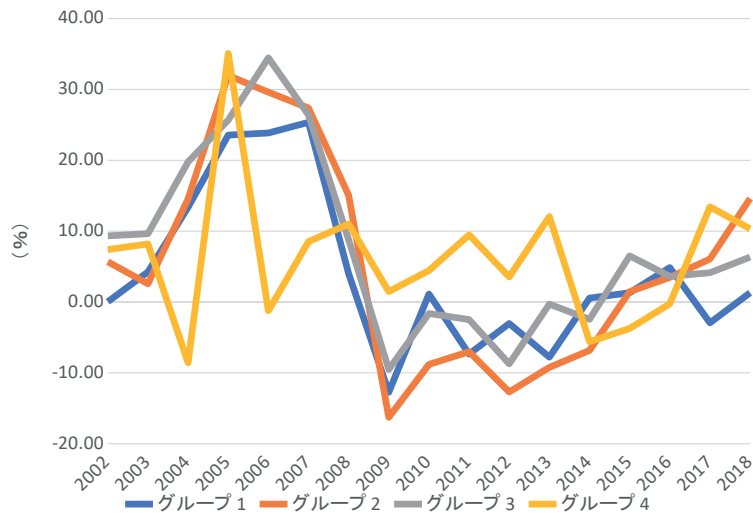
| 単位：百万 DKK | 総資産 | | ローン | | 預金 | |
|--------------|-----------|--------|-----------|--------|-----------|--------|
| | 金額 | 構成比 | 金額 | 構成比 | 金額 | 構成比 |
| グループ 1 | 2,903,051 | 86.5% | 1,253,217 | 84.4% | 2,626,044 | 87.1% |
| (Dansk Bank) | 2,293,624 | 68.3% | 1,001,711 | 67.5% | 2,092,828 | 69.5% |
| グループ 2 | 319,053 | 9.5% | 162,651 | 11.0% | 273,153 | 9.1% |
| グループ 3 | 128,659 | 3.8% | 66,778 | 4.5% | 109,805 | 3.6% |
| グループ 4 | 5,379 | 0.2% | 2,254 | 0.2% | 4,369 | 0.1% |
| 合計 | 3,356,141 | 100.0% | 1,484,900 | 100.0% | 3,013,372 | 100.0% |

出所：Danish Financial Supervisory Authority

銀行の財務上の業績を評価するための指標の一つとして費用収入比率と自己資本利益率があり、また、健全性を図る指標としてソルベンシー比率、貸出先の経営不振による減損の発生額が収益に与える影響を見ることも重要な観点である。2001年以降の各グループローンの増加率、ソルベンシー比率、収益に対する費用の比率、収益に占める減損比率、そして、株主資本利益率の5つの観点から考察を行う。

グループ別ローン増加率の推移では、2000年前半の金融危機前では、各グループともほぼ同じようなトレンドを形成しているが、最も運転資金額が少ないグループであるグループ4に関しては、変動幅が大きいことが確認できた（図表16）。また、金融危機以降から2014年までは、グループ1が2010年に一度だけ前年比を上回ることができたが、グループ4以外の銀行のローンの増加率は前年比を上回ることがなかった。だが、グループ4は早い段階で、ローンの増加率をプラスへ転換し、2014年から2016年までは、前年比を下回ったものの安定的なローンの貸出業務を行っていた。この背景には、地域の安定した経済基盤を維持するには、グループ4のような地域密着型経営が必要であることを示唆しているものと考えられる。業務範囲が広いグループ1からグループ3までのローンの増加率は同様な傾向を示している。

図表 16 グループ別ローン増加率（単位：％）

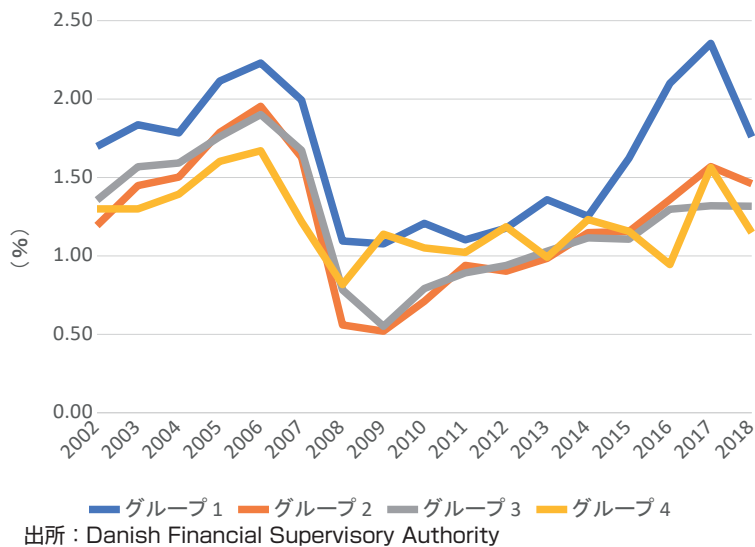


出所：Danish Financial Supervisory Authority

収益に対する費用の比率を比較すると、金融危機の時期を含めてもグループ1が最も高く、グループ2、3が最も低いことが確認できる（図表17）。特に、グループ1の比率が高く、2017年には他のグループと比較して1%以上の差が広がっており、大手金融機関における収益モデルの改善が必要と考えられる。

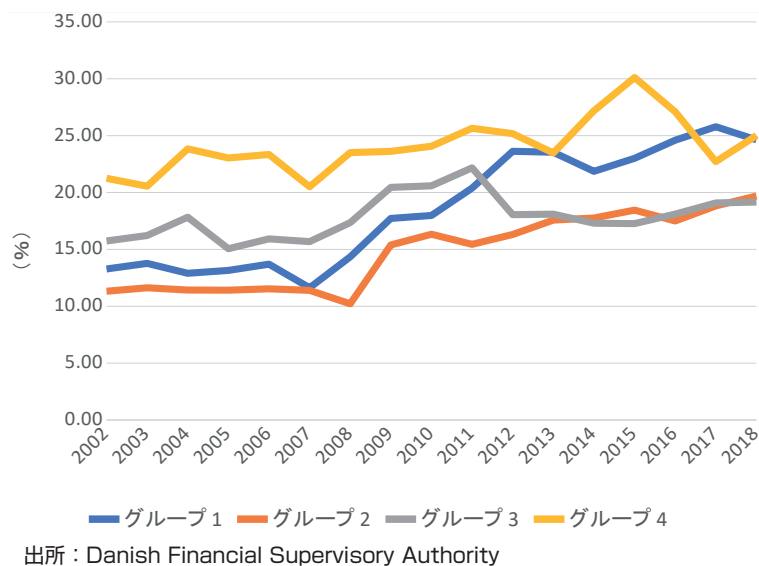
銀行の財務健全性を測る指標のひとつに、ソルベンシーレシオがある。グループ別のソルベン

図表 17 グループ別収益に対する費用の比率の推移 (単位：%)

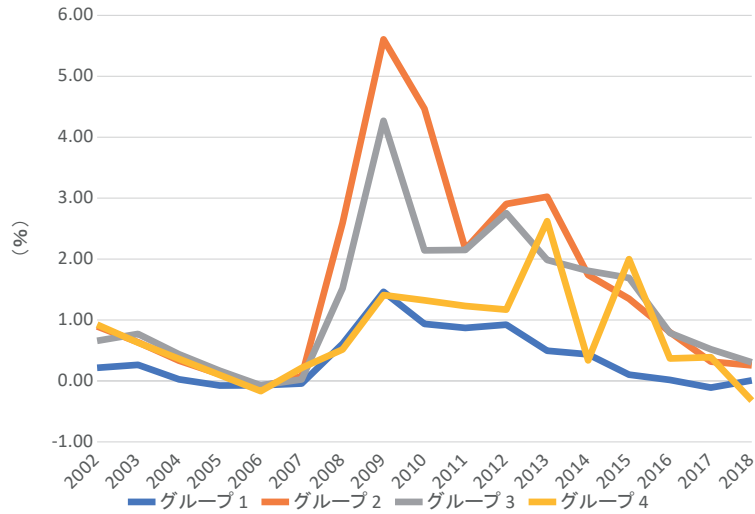


シーレシオを比較すると、グループ4が安定的に高いソルベンシーレシオを保持しており、高い財務健全性を保っている。一方で、他のグループは、グループ3が比較的財務健全性が高かったが金融危機以降はグループ1が大幅に改善し、グループ3は悪化傾向にある（図表18）。一方で、グループ2は金融危機以降改善を示しているが、他のグループと比較して、長期間にわたって財務健全性が劣っていることが確認できる。

図表 18 グループ別ソルベンシーレシオの推移 (単位：%)



図表 19 グループ別収益に占める減損比率の推移（単位：％）



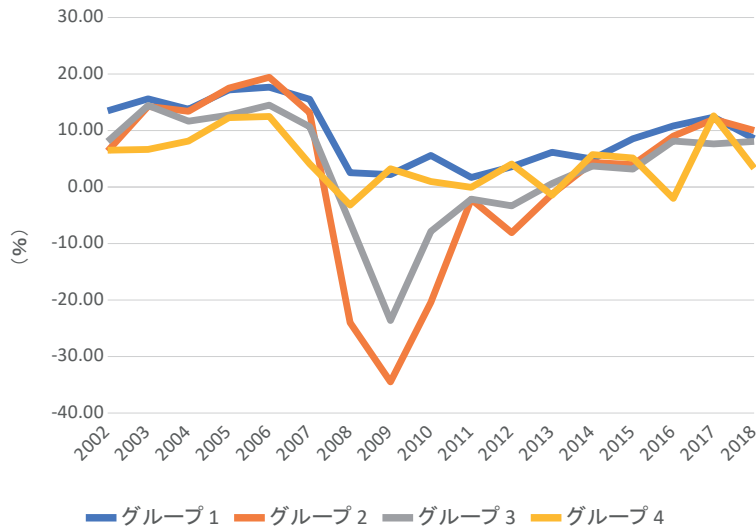
出所：Danish Financial Supervisory Authority

次に、グループ別収益に占める減損比率の推移を比較すると、グループ2及びグループ3に属する銀行の減損損失が収益に占める比率が最も高く、この2つのグループが金融危機による影響を強く受けたと推測できる（図表19）。グループ2及びグループ3に属する金融機関の減損損失が多かったことは、後に述べる金融機関間での再編にもつながったものと考えられる。一方で、グループ1に関しては、金融危機による影響は軽微であった。グループ4に関しては2013、2015年には一時的な増加はあったものの、グループ1同様に、比較的低水準での推移を示している。

以上の結果から、グループ1の株主資本利益率は2000年以降マイナスの値である時期はなく、グループ4も数回ほど株主資本利益率がマイナスの値になることがあったが、安定推移している（図表20）。一方で、減損損失の発生により、収益の悪化が避けられなかったグループ2及び3に関しては、株主資本利益率がプラスになったのは2013年以降であり、その後は着実に改善していることが確認できる。

ここまで2001年から2007年にかけてのローンの増加率のみで考えると、各グループに属する金融機関は積極的に融資を行っていることが確認できる。しかしながら、収益に占める減損損失の比率で比較すると、体系的に重要な金融機関SIFIが所属しているグループ1と地域密着型経営に特化しているグループ4は減損損失による収益への影響は比較的少ないことが確認できる。このような格差が生じた要因については様々な外部要因や内部要因等が考えられるが、その一つとしては金融機関によるリスク管理の格差があったことが、要因の一つとして考えられよう。特に、デンマークの金融機関における融資リスク管理の欠如が問題であり、デンマークにおける金融危機を悪化させ、金融危機後のM & Aを引き起こしたとの報告もある（Thomsen et al.

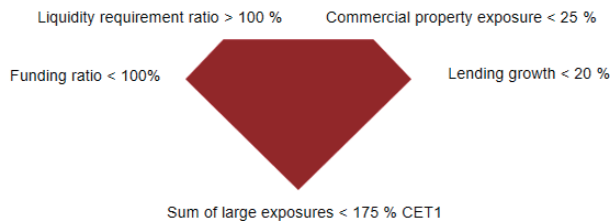
図表 20 グループ別株主資本利益率の推移 (単位: %)



出所: Danish Financial Supervisory Authority

2010)。金融危機により、デンマークでは金融機関に対するリスク管理を重視してきた。その結果、デンマーク金融庁が2010年に個別金融機関のリスクを監視するため、新しい測定方法である5つの制限値から構成される「スーパーバイザリ・ダイヤモンド (Supervisory Diamond)」(図表 21)を導入した。

図表 21 スーパーバイザリ・ダイヤモンドの概念図

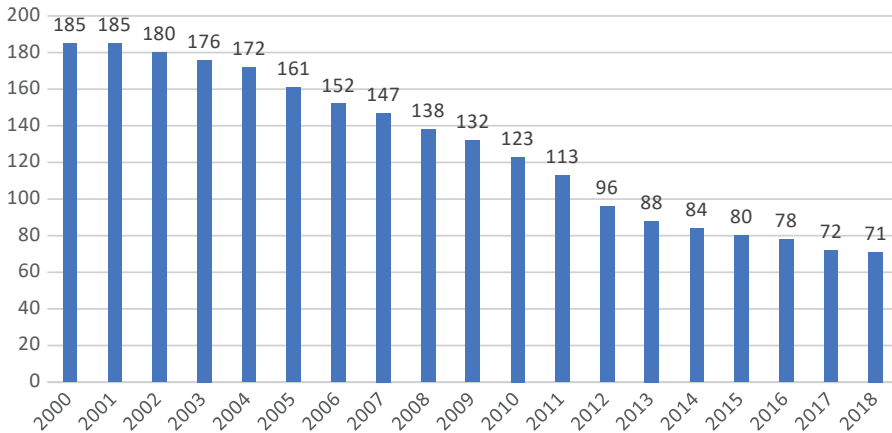


出所: Danish Financial Supervisory Authority

デンマーク国内における金融機関の再編

1990年代後半の規制緩和により、EU内のすべての金融機関へのアクセスが許可され、グローバル化およびその他の技術的改善により、国境を越えた合併が盛んになったことも要因の一つであるが (Focarelli et al. 1999)、EU-28内での金融機関の数の減少傾向にある。例えば、2008年には欧州全体では8,525金融機関があったが、2017年には6,250までに減少した (European Bank Federation 2019)。このようにEU域内での業界再編がここ数年で加速しているが、デンマークにおける業界再編は2000年前半より始まっている。特にデンマークの場合に

図表 22 デンマークにおける金融機関数の推移



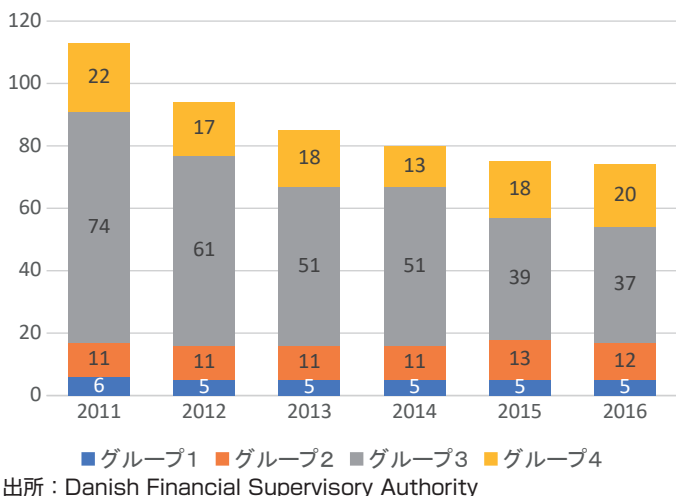
出所：Statistics Denmark

は、金融機関が細分化されていることがデンマーク金融システムの特徴であり（Thomsen et al. 2010）、細分化された金融市場が淘汰整理されていった。図表 22 は、グループごとの 2011 年から 2016 年までの銀行の数を示している。デンマークにおける 2000 年時点での金融機関数は 185 であったが、2018 年末には 71 まで減少した。2018 年における金融機関数の内訳は 64 が銀行、7 は住宅ローン信用機関であった。また、銀行によっては住宅ローン信用機関をもっており、グループの子会社を除いたグループ調整後ベースでは、66 の金融機関があり、そのうち 62 が銀行、4 が住宅ローン信用機関である。

デンマークは、2000 年代後半の国際金融危機や国内の住宅ローン市場の過熱など、外部要因の影響を大きく受けている（Helleiner 2011）。米国と同様に、デンマークの金融部門は 2003 年から 2007 年にかけてローンが急速に成長した。変動金利の住宅ローンの割合は 1999 年に 3.8%、2007 年末までに 51.8% までに拡大した（Madaschi & Nuevo 2017）。その後、リーマンショックによる金融危機の影響により、一戸建て住宅の価格は 2007 年のピークから 2009 年末までに約 19% 下落した（Østrup 2010）。このような厳しい環境によって、2008 年 7 月にデンマーク第 7 位の Roskilde 銀行が倒産したこともあり、2008 年にはデンマークの銀行業界の約 20% の外資系銀行から必要な資本（5,000 億 DKK）を取得した（Vis 2011; Abildgren & Thomsen 2011）。その後のデンマークの不良銀行（Distressed bank）の破綻は、デンマークの銀行部門全体に影響を及ぼした（Østrup et al. 2009）。先ほども触れたが融資リスク管理の欠如も大きな課題であった（Thomsen et al. 2010）。これらの要因の組み合わせを考えると、デンマークの銀行間合併は必然的であると考えられよう（Østrup et al. 2009）。

金融危機の影響が一巡したと考えられる 2011 年以降のデンマークにおける金融機関の再編について考察を述べる。2011 年から 2013 年にかけて、グループ 3 の金融機関の総数は 74 行から、

図表 23 2011年から2016年までのデンマークにおけるグループ別銀行数の推移



51行に減少した（図表 23）。その後 2014 年から 2016 年にかけて、51 行から 37 行へ 14 行が減少している。また、グループ 4 の金融機関数は、2011 年の 22 行が最も多く、その後 2014 年には 13 行まで減少したが、その後運転資本の変化の結果で、グループ 4 の銀行が増加している。

Finansiel Stabilitet の設立

金融危機以来、世界中の大規模な金融機関が崩壊し、一部の銀行は、政府が定めた規制要件を満たすために合併と買収（M & A）を行うオプションが残っていたが、ほとんどの銀行にはそのような財務的な体力はなかった。したがって、デンマーク政府では、デンマーク国内金融業界における金融安定化を目的として、金融安定法案（Financial Stability Act）を立案し、金融救済パッケージを導入した（Østrup et al. 2009）。その結果として、銀行の救済を目的とした Finansiel Stabilitet が 2008 年 10 月に設立された。Finansiel Stabilitet の設立当初の目的は、デンマーク銀行協会（Danish Banking Association）との契約を締結している銀行債権者を補償すること、つまり、銀行パッケージ（Bank Package; Bank Package I）の下で破綻銀行から取得した事業を清算することであった。しかしながら、法案の採択前に Roskilde Bank が破綻したことで、2009 年 6 月には、Roskilde Bank 銀行の事業清算を含めることとなった。その後、Finansiel Stabilitet は、2010 年の出口パッケージ（Exit Package; Bank Package II）、2011 年の統合パッケージ（Consolidation Package; Bank Package III）、および 2012 年の開発パッケージ（Development Package; Bank Package IV）を受けて、デンマーク金融業界の安定化に注力している。なお、2015 年 6 月 1 日に、特定の金融会社の再編と清算に関する新しい法律の採択の一環として Finansiel Stabilitet は国有機関から独立した民間会社になり、デンマーク金融庁と一緒にデンマークの破綻処理機関として任命された。設立から 2012 年まで Roskilde Bank を除く 12 の銀行が救

図表 24 Finansielt Stabilitet に直接救済された銀行及び Finansielt Stabilitet が救済に関与した銀行名

| 日付 | 銀行名 | パッケージ |
|-------------|---------------------------|---------|
| 2008年11月21日 | EBH Bank | 銀行パッケージ |
| 2009年3月2日 | Loop Savings Box | 銀行パッケージ |
| 2009年4月16日 | Gudme Raaschou Bank | 銀行パッケージ |
| 2009年5月28日 | Fionia Bank | 銀行パッケージ |
| 2010年2月11日 | Capinordic Bank | 銀行パッケージ |
| 2010年9月30日 | Eik Bank Danmark | 銀行パッケージ |
| 2010年9月30日 | Oak Bank | 銀行パッケージ |
| 2011年2月5日 | Amagerbanken | 出口パッケージ |
| 2011年6月24日 | Fjordbank Mors | 出口パッケージ |
| 2011年10月8日 | Max Bank | 統合パッケージ |
| 2012年3月2日 | FIH | 開発パッケージ |
| 2012年4月21日 | Savings bank East Jutland | 統合パッケージ |

出所：Danish Financial Supervisory Authority

済された（図表 24）が、2013 年以降、Finansielt Stabilitet によって直接的に救済された銀行はなかった（Finansielt Stabilitet）。

最初のパッケージである銀行パッケージは 2008 年 10 月から 2010 年 9 月に実施された。このパッケージの目的は、金融危機が発生したときに銀行間資金調達市場を閉鎖することで金融市場を安定させることであった。このパッケージの実施によって、すべての預金者と無担保債務保有者が政府保証を通じて資金を確保できるようにするセーフティネットが構築された。

2009 年 2 月 4 日に、金融安定化法が改正され、クレジットパッケージ（Credit Package; Bank Package II）が施行された。この改正の目的は、金融機関が国による資本注入を可能にすることであった。国による資本注入の申請は、経済成長省（金融庁が含まれる）、財務省、デンマーク国立銀行のメンバーで構成される調整グループによって処理された。Finansielt Stabilitet は、構成メンバーには含まれていなかった。その結果、銀行および住宅ローン信用機関からの申請を条件として、2010 年 12 月 31 日まで、最大 3 年を満期とする政府保証の提供に関する契約を締結することができることとなった。つまり、健全な企業の倒産を防ぎ、それによって流動性の問題のリスクを最小限に抑えるために導入されたとも考えられる。

2010 年 10 月 1 日に発効した出口パッケージは、銀行パッケージに基づく一般政府保証を置き換えた。その結果、不良銀行の預金者およびその他の無担保債権者は、請求の全範囲を確実に受け取ることができなくなることとなる。また、不良銀行は Finansielt Stabilitet を通じて清算する必要がなくなり、保証基金が清算を考えている銀行に対して保証を行う。その結果、デンマーク政府は清算プロセスに関連して金銭的リスクを負わなくなった。

2011 年 8 月から統合パッケージを導入され、不良銀行に関心がある銀行が不良銀行のすべてあるいは一部を取得するために、保証基金（Guarantee Fund）と Finansielt Stabilitet の両方が資

金を拠出することで、インセンティブを受けることができるようになった。また、銀行が不良化したときに、無担保債権者の損失を防ぐことも可能とした。つまり、個人顧客の預金安全性を増して、かつ銀行が破産した場合の企業の保証を強化している。

最後に、開発パッケージは2012年3月に導入され、特に中小企業への金融アクセスの改善を目的とした。同時に、農業金融機関を設立し、Finansiel StabilitetがFIHの不動産ポートフォリオを引き継ぐことを可能とした。2012年の業界再編が最も活発であり、つまり、Finansiel Stabilitetが統合パッケージを導入して、不良銀行に関心がある銀行が不良銀行のすべてあるいは一部を取得するために、インセンティブを与えたことが大きな影響を与えたものと考えられる。図表23で確認できるが、2011年に導入された統合パッケージと2012年に導入された開発パッケージからの業界再編は、デンマークの経済が安定を取り戻して後の業界再編であり、まさに金融システムの健全性の回復よりはより効率的かつ安定的な金融システムの構築を視野に入れた業界再編が続いたものと考えられる。

このように、Finansiel Stabilitetによる業界再編の影響は大きい。実際にはFinansiel Stabilitetによって救済された銀行数はわずかではあるが、Finansiel Stabilitetによる業界再編を促進する開発パッケージの導入はデンマークにおける金融機関の再編を可能にしたものと考えられる。

結論

デンマークは、他の北欧諸国同様にゼロ金利政策を余儀なくされながら、経常収支、平均住宅価格も金融危機以前の値を上回っている。輸出による経済成長と安定的な成長を続ける不動産市場によるローンの増加している一方で、貸出預金のスプレッドの縮小により、金融機関の経営は厳しくなっている。しかしながら、北欧独自の金融システムによって高い収益性を挙げている。

一方で、デンマークの金融システムの特徴である細分化による影響は金融危機による影響を大きく受けており、デンマークにおける金融機関の再編は他の欧州での再編を先行したものと考えられる。特に、政府主導による金融システムの安定を目的として設立したFinansiel Stabilitetの役割が拡大することで、業界再編を主導する役割を果たしている。このように、デンマーク国内の銀行の再編にはFinansiel Stabilitetが大きな役割を果たしていることが確認できた。特に、2011年に導入された統合パッケージを導入することで、中堅の金融機関内の再編がデンマーク国内の再編をけん引したことが大きいと考えられる。当局が金融システムの安定化を目的として業界再編に取り組む施策は、日本での業界再編に対する一助になるものと考えられる。

謝辞 本研究はJSPS科研費19K01763の助成を受けたものです。

参考文献

- 外務省ホームページ <https://www.mofa.go.jp/mofaj/area/denmark/data.html#section1>
- 内閣府 <https://www5.cao.go.jp/jj/wp/wp-je18/pdf/p01041.pdf>
- Abildgren, K. & Thomsen, J. A., Tale of Two Danish Banking Crises. 2011,121-42, Danmarks National Bank. Danish Financial Supervisory Authority, Copenhagen <https://www.dfsa.dk/>
- European Banking Federation, Banking in Europe: EBF Facts and Figures 2018, European Banking Federation, Brussels, 2019.
- Finansiell Stabilitet, Copenhagen <https://www.fs.dk/bankpakke-i-v/om-bankpakkerne>
- Focarelli, D., Panetta, F, Salleo, C., Why do bank merger? J Money, Credit Bank. 34 No 4(May 1999): 1047-66.
- Helleiner, E., Understanding the 2007–2008 Global Financial Crisis: Lessons for Scholars of International Political Economy, Annual Review of Political Science, 14:67-87, 2011.
- Jyske Bank <https://www.jyskebank.dk/bolig>
- Leszczuk, J. & Pojar, S., What is behind Denmark's Current Account Surplus? European Economy Economic Briefs, European Commission 2016.
- Madaschi, C & Nuevo, I. P., The profitability of banks in a context of negative monetary policy rates: the cases of Sweden and Denmark. Occas Pap Ser. 2017.
- OECD data <https://data.oecd.org/>
- Østrup, F., The Danish Bank Crisis in a Transnational Perspective. In: Hvidt IN, Mouritzen H, editors. Danish Foreign Policy Yearbook 2010. Copenhagen: Danish Institute of International Studies; 2010. 75-112.
- Østrup, F, Oxelheim, L., Wihlborg, C., Origins and resolution of financial crises: Lessons from the current and northern European crises. Asian Econ Pap. 2009;8(3):178-220.
- Statistics Denmark <http://dst.dk/en>
- Thomsen, S., Rose, C., Risager, O., Understanding the Financial Crisis: Investment, Risk and Governance, Palgrave Macmillan UK; 2010. 232.
- Vis, B., van Kersbergen, K., Hylands, T., To what extent did the financial crisis intensify the pressure to reform the welfare state? Soc Policy Adm. 2011;45(4):338-53.

韓国の電力取引市場 — 規制改革前後と課題について —

徐 明 玉

1. はじめに

1969年、韓国では不良企業を処理するため、公企業の民営化が推進された。大韓航空はその代表的な企業である。1980年代には銀行の民営化を始め、公企業の「民営化」への動きが様々な分野で行われていた。韓国の電力産業も時代の潮流に乗って、1999年1月に「電力産業構造改編の基本計画」が発表され、その翌年12月には「電力産業の構造改編の促進に関する法律」が制定された。その後、2001年4月には積極的な電力産業の規制改革が行われた。しかし、電力規制改革は計画通りにいかず、途中で中断された。当時から価格競争が起こらないという欠点が指摘されていた変動費反映市場（Cost Based Pool、以下CBP）⁽¹⁾により、電力取引市場が運用されており、未だにCBPで電力取引が行われている状況である。

本稿では、韓国の電力取引市場の規制改革の前と後の変化と課題について考察する。具体的に、新規参入への成果、電力会社間の競争、需要者の電力会社の選択および電力料金の変化、また発電会社の分離後の韓国電力公社（Korea Electric Power Corporation、以下KEPCO）の収益の変化、最後に電力取引市場の変化について考察する。

2. 韓国の発電所の状況

表1は、2017年基準の韓国の発電所の状況を示している。発電機のエネルギー源別の設備容量は、ガスが37,835MWで36%、石炭が35,315MWで33%、原子力が22,529MWで21%、水力が6,281MWで6%、油類が3,893MWで4%となっている。ガスと石炭が原子力発電を上回っていることがわかる。KEPCOの発電子会社の設備容量は81,055MWで全体の76.6%である一方、

(1) CBPは、電力市場に参加した発電機の変動費を基準に市場価格を決定する電力取引市場をいう。韓国では電力取引は、このCBPでの取引が義務化されている。CBPが導入された背景には、①KEPCOが独占システム体系だったため、完全な電力自由化まではかなりの時間がかかると予測されていたことがある。また、②価格入札制度の導入後の結果について、予測ができない不安感もあった。さらに、③構造改編による需要者の電力料金の値上げのリスクを最小化したいという需要者に対する配慮もあった。これらの背景により、CBP制度は市場競争が活性化されるまで、一時的に導入され、その次の段階で双方向の入札プール（Two Way Bidding Pool）への移行を予定していた。

表 1. 発電機の設備状況 (2017年12月基準)

| 区分 | 設備容量 (MW) | | | 発電機数 (基) | | |
|-----|-------------------|-------------------|-------------------|----------------|----------------|---------------|
| | KEPCO 発電子会社 | IPP | 小計 | KEPCO 発電子会社 | IPP | 小計 |
| ガス | 15,916 | 21,919 | 37,835 (36%) | 108 | 131 | 239 (59%) |
| 石炭 | 34,125 | 1,190 | 35,315 (33%) | 59 | 2 | 61 (15%) |
| 原子力 | 22,529 | — | 22,529 (21%) | 24 | — | 24 (6%) |
| 水力 | 5,295 | 986 | 6,281 (6%) | 37 | 20 | 57 (14%) |
| 油類 | 3,190 | 703 | 3,893 (4%) | 17 | 9 | 26 (6%) |
| 合計 | 81,055 (76.6%) | 24,798 (23.4%) | 105,853 (100%) | 245 (60.2%) | 162 (39.8%) | 407 (100%) |

(出所) 韓国電力取引所 (2018) 『2017年度の電力設備の停止統計』を参考に筆者作成。

民間資本の独立発電事業者 (Independent Power Producer、以下 IPP)⁽²⁾ は 23.4% となっている。

また、KEPCO の発電子会社および IPP が所有する発電機の数 は合計 407 基である。その構成率は、ガスが 239 基で 59%、石炭が 61 基で 15%、水力が 57 基で 14%、油類が 26 基で 6%、原子力は 24 基で 6% である。この内、IPP の発電機数は、ガスが最も多く、239 基中 131 基であり、その割合は 54.8% となる。その次は、水力で 57 基中 20 基で 35% となっており、油類は 26 基中 9 基で 34.6%、石炭は 61 基中 2 基で 3.3% という割合を示している。以上のことから、IPP の主な発電機の電源はガスであることがわかる。KEPCO の発電子会社と IPP のガス発電が合わせて 59% となるということは、天然ガスが値上げされた場合、発電会社の収益に大きな影響を与えるに違いない。

3. 韓国の電力規制改革前後の変化と課題

1) 新規参入への成果

電力規制改革の効果で最も期待されたのが、企業の新規参入であった。表 2 は、発電会社の電力入札量を示している。2001 年以降、電力規制改革により、新規参入を誘発することができたのか。2001 年は KEPCO の発電子会社の電力入札量が 260,592 GWh であり、これは全体入札量の 99.83% を占めていることとなる。同年は、電力規制改革が導入され、新規参入が開始された年であったため、KEPCO の発電子会社の割合が高く、独占システムとほぼ同じ傾向をみせた。だが、2001 年、その他⁽³⁾に注目してみると、電力取引量は 433 GWh であり、全体入札量の 0.17% 割合を占めている。これは、発電分野に規制改革を導入してわずかではあるが実際に新規参入があったことを意味する。

(2) 2018 年 12 月基準、KEPCO の発電子会社は、水力・原子力発電会社、南東発電会社、中部発電会社、東西発電会社、西部発電会社、南部発電会社の 6 社がある一方、IPP は 19 社で、POSCO ENERGY、GS POWER、GS EPS、GS E&R、SKE&S、CGN エルチョン、CGN デサンなどがある。

(3) その他は新規参入である IPP のことをいう。

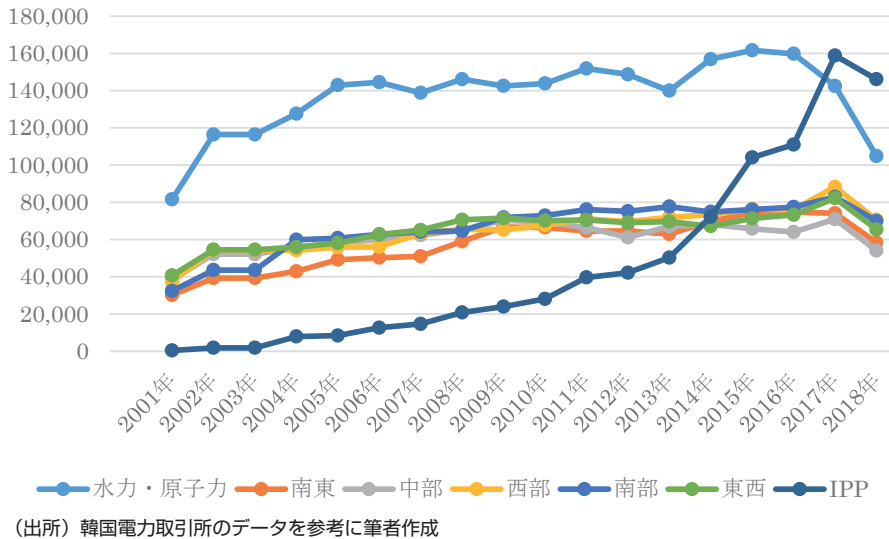
表 2. 電力会社別の電力入札量と増加率（2001年～2018年）

（単位：GWh）

| 年度 | 水力・原子力発電 | 南東発電 | 中部発電 | 西部発電 | 南部発電 | 東西発電 | その他 | 合計 |
|--------|----------|--------|--------|--------|--------|--------|---------|---------|
| 2001 | 81,540 | 30,194 | 38,368 | 37,424 | 32,382 | 40,684 | 433 | 261,025 |
| 2002 | 116,397 | 39,324 | 52,146 | 54,399 | 43,614 | 54,519 | 1,851 | 362,250 |
| 増加率(倍) | 1.4 | 1.3 | 1.4 | 1.5 | 1.3 | 1.3 | 4.3 | 1.4 |
| 2003 | 116,397 | 39,324 | 52,146 | 54,399 | 43,614 | 54,519 | 1,851 | 362,250 |
| 増加率(倍) | 1.4 | 1.3 | 1.4 | 1.5 | 1.3 | 1.3 | 4.3 | 1.4 |
| 2004 | 127,579 | 42,909 | 55,604 | 54,198 | 59,881 | 55,959 | 7,889 | 404,020 |
| 増加率(倍) | 1.6 | 1.4 | 1.4 | 1.4 | 1.8 | 1.4 | 18.2 | 1.5 |
| 2005 | 142,893 | 49,166 | 58,474 | 55,921 | 60,748 | 58,082 | 8,443 | 433,728 |
| 増加率(倍) | 1.8 | 1.6 | 1.5 | 1.5 | 1.9 | 1.4 | 19.5 | 1.7 |
| 2006 | 144,434 | 50,236 | 59,751 | 56,024 | 62,743 | 62,655 | 12,618 | 448,460 |
| 増加率(倍) | 1.8 | 1.7 | 1.6 | 1.5 | 1.9 | 1.5 | 29.2 | 1.7 |
| 2007 | 138,781 | 50,988 | 62,329 | 63,351 | 64,122 | 65,093 | 14,673 | 459,338 |
| 増加率(倍) | 1.7 | 1.7 | 1.6 | 1.7 | 2.0 | 1.6 | 33.9 | 1.8 |
| 2008 | 146,115 | 59,030 | 65,015 | 65,420 | 64,660 | 70,581 | 20,823 | 491,643 |
| 増加率(倍) | 1.8 | 2.0 | 1.7 | 1.7 | 2.0 | 1.7 | 48.1 | 1.9 |
| 2009 | 142,522 | 66,744 | 70,360 | 65,210 | 71,828 | 71,497 | 23,962 | 512,123 |
| 増加率(倍) | 1.7 | 2.2 | 1.8 | 1.7 | 2.2 | 1.8 | 55.4 | 2.0 |
| 2010 | 143,807 | 66,481 | 69,343 | 67,577 | 72,863 | 70,164 | 28,080 | 518,316 |
| 増加率(倍) | 1.8 | 2.2 | 1.8 | 1.8 | 2.3 | 1.7 | 64.9 | 2.0 |
| 2011 | 151,849 | 64,554 | 66,456 | 71,126 | 76,138 | 70,523 | 39,643 | 540,289 |
| 増加率(倍) | 1.9 | 2.1 | 1.7 | 1.9 | 2.4 | 1.7 | 91.6 | 2.1 |
| 2012 | 148,699 | 64,581 | 61,121 | 69,666 | 75,165 | 69,036 | 42,169 | 530,438 |
| 増加率(倍) | 1.8 | 2.1 | 1.6 | 1.9 | 2.3 | 1.7 | 97.5 | 2.0 |
| 2013 | 139,897 | 62,924 | 67,045 | 71,901 | 77,665 | 69,647 | 50,288 | 539,367 |
| 増加率(倍) | 1.7 | 2.1 | 1.7 | 1.9 | 2.4 | 1.7 | 116.2 | 2.1 |
| 2014 | 156,862 | 69,764 | 68,133 | 73,401 | 74,855 | 67,154 | 72,193 | 582,362 |
| 増加率(倍) | 1.9 | 2.3 | 1.8 | 2.0 | 2.3 | 1.7 | 166.9 | 2.2 |
| 2015 | 161,633 | 74,519 | 65,790 | 76,320 | 76,103 | 71,303 | 104,059 | 629,727 |
| 増加率(倍) | 2.0 | 2.5 | 1.7 | 2.0 | 2.4 | 1.8 | 240.5 | 2.4 |
| 2016 | 159,749 | 74,719 | 64,021 | 76,058 | 77,449 | 73,277 | 110,980 | 636,253 |
| 増加率(倍) | 2.0 | 2.5 | 1.7 | 2.0 | 2.4 | 1.8 | 256.5 | 2.4 |
| 2017 | 142,463 | 74,080 | 70,915 | 88,245 | 82,882 | 82,188 | 158,823 | 699,597 |
| 増加率(倍) | 1.7 | 2.5 | 1.8 | 2.4 | 2.6 | 2.0 | 367.1 | 2.7 |
| 2018 | 104,830 | 58,380 | 54,072 | 70,556 | 69,932 | 65,402 | 146,077 | 569,247 |
| 増加率(倍) | 1.3 | 1.9 | 1.4 | 1.9 | 2.2 | 1.6 | 337.6 | 2.2 |

（出所）韓国電力取引所のデータを参考に筆者作成。
 注）増加率は2001年度を基準にしたものである

図 1. 電力入札量の推移 (2001年～2018年)



このIPPは、毎年の電力入札量が増えつつあり、2012年には42,169GWh（2001年度対比97.5倍）、2015年は104,059GWh（2001年度対比240.5倍）に増加していることがわかる。また、2018年の電力入札量は146,077GWhで、全体の25.7%を占めている。これは、2001年度の実に337.6倍となっており、非常に高い伸び率であるといえる。上記の表1からも確認した通り、全発電機407基のうち、162基がIPPの発電機であり、39.8%の発電機を保有していることとなる。

図1は、2001年から2018年までの電力入札量の推移を示している。KEPCOの発電子会社が、微々たる成長しか見せていない一方で、IPPの電力入札量は、右肩上がりの成長を見せており、2017年には、水力・原子力の発電会社の電力入札量を上回っている。水力・原子力の入札量が減少したのは、「脱原発」の宣言に大きな影響を受けた結果と、また、2008年の「第4次電力需給基本計画」でLNG複合発電会社への新規参入を大幅に許可したことによるものだと考えられる。そして、2011年の「9・15停電事態」と呼ばれるブラックアウトが起きた後、電力供給のため、IPPにLNGだけではなく、石炭発電まで新規参入が許可された。発電所の建設期間が石炭発電の場合、5年から6年、ガスタービン複合発電の場合、3年が必要となることから、2014年以降、IPPの電力入札量が急増した理由はここにあると考えられる。

以上のことから、電力規制改革により、新規参入を誘発することができたのかについては、電力規制改革の成果はあったといえる。

2) 電力会社間の競争

電力会社の間で競争が行われたのか。CBPでは、企業の新規参入により、電力会社間の競争が起り、結果として電力料金の値下げや良い品質とサービスが提供されるという電力規制改革

の効果は期待しがたかった。それは、発電会社間の競争が排除されていたからである。CBPは、競争誘因が制限されていたため、制限的な市場ともいわれていた。このような市場での取引は、独占システムと変わらないシステムであった。このようなことから、実はCBPは長く運営される予定ではなかった。

容量価格（Capacity Price、以下CP）⁽⁴⁾決定の基準になっていたのは、各会社が提出した会計資料だけである。これは独占システムに近く、競争市場の原理が働いていないことになる。発電会社には価格決定の権限がなく、実際の価格競争は行われていなかったことになる。競争のためではなく、新規参入を起こすという目的が優先され、IPPには政府から内部補助制度で収益を補っていた。このような理由から、IPPは電力規制改革開始後しばらくの間、高い収益を上げていた。

3) 需要者による電力会社の選択や電力料金に変化があったのか

電力規制改革の中断により、需要者が電力会社を選んだり、安い電力料金を選択したりできない。また、自分のライフスタイルを考慮した料金プランを選ぶこともできない。電力規制改革による価格競争は、市場原理が働いている市場での話であり、韓国の場合、電力産業の構造が特殊な性格を持っていることがその妨げとなっている。それは、電力料金が政府から政治的な理由で、また、国際的な競争力を強化する目的で制限されているためである。もともと安い料金で設定されていたため、新規参入により、価格競争があったとしても、現行より安くなりにくい。また、国民の意識も電力は公共財であると間違えて認識しているかもしれない。そのため、電力料金の値上げには、非常に敏感な反応が起る可能性がある。電力規制改革が順調に行われ、競争市場で市場価格が決まり、電力料金が決定されたとしても、必ずしも電力料金が下がるとは言い切れない。金（2002）は、電力規制改革により、発電子会社の間に暗黙の談合が存在する場合、電力市場の精算価格を上昇させる結果をもたらすと指摘した。

電力料金の制度について見直す必要があるという議論があり、何回かの電力料金の値上げもあった。特に、2016年12月には家庭部門の累進制度が全6段階から全3段階へと改定された。これにより電力使用を抑制することができ、電力料金の公平性を図ることもできると予測していた。だが、2018年の夏、猛暑による電気機器類の使用が急増したため、改編された累進制による高額な電力料金を懸念し、国民から累進制の緩和の請願があった。その理由は、改革された累進制度は、電力を大量に使うと、料金設定が非常に高くなるシステムであるためである。

産業通商資源部は、2018年8月に、猛暑による電力料金の支援対策を発表した。すなわち家

(4) CPは、2001年に、IPPの設備投資を誘導するため、導入された。これは、電力自由化の電力取引市場で重要な意味を持っているといえる。なぜなら、発電会社が電力取引を入札する際に、実際の取引の可否と関係なく、支払われる価格であるためである。入札容量、すなわち発電会社の最大の稼働能力さえ確保できれば、それに対し、CPで補償される。これにより、発電会社は固定費が回収できるし、また新たな設備建設への投資もできると考えられる。つまり、CPは発電会社にとって安定的な収入源になるし、端的にいえば、電力市場の発電設備の投資を誘導するためのインセンティブであるといえる。

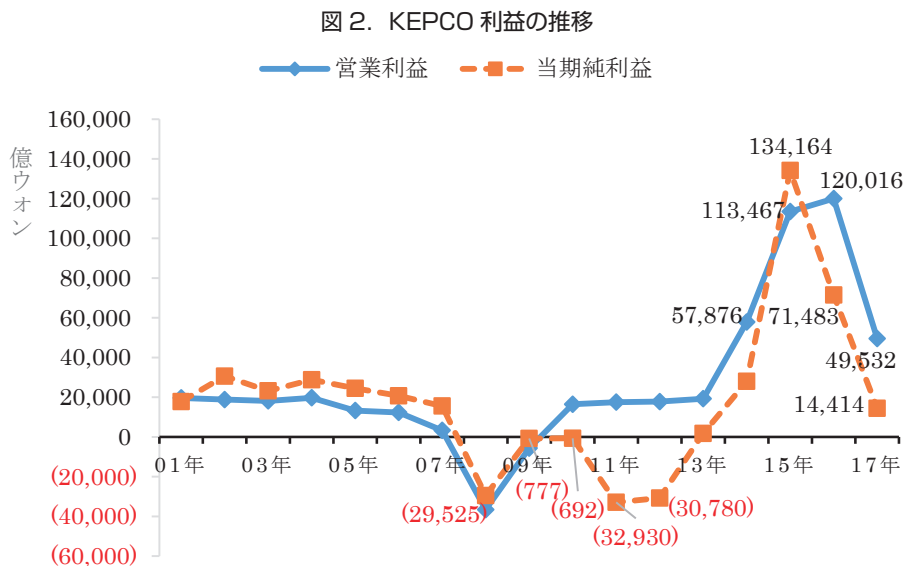
庭部門の電力料金に対し、同年の7月と8月に一時的に累進制を緩和すると発表した。これは、国民の負担を軽減するためである。累進制の緩和により、世帯当たり平均19.5%の割引を受けられることとなった。

上述したことから、電力規制改革が計画通り進んで、小売の電力規制改革まで推進されたとしても、規制改革による電力料金の値下げという効果は期待しにくいと考えられる。累進制の緩和の例のように、電力料金が価格競争により値上げした場合の国民の反応が憂慮される。

4) 発電会社の分離後、KEPCOの収益の変化はあったのか

KEPCOは、以前から原価より安い電力料金の設定により、赤字を免れない状況であるといわれていた。図2は、KEPCOの利益の推移を表したものである。実際のデータからみると、電力規制改革直後は赤字の状況は見られていない。だが、2008年から2013年の間は、KEPCOの利益が赤字に落ちたり、不安定であったりしたことがわかる。2008年は、営業利益が-36,592億ウォンで赤字が最も大きく、当期純利益も-29,525億ウォンとなっていた。この傾向は少しずつ回復されるように見えていたが、再び赤字が増え、2011年の当期純利益は-32,930億ウォンに、2012年には-30,780億ウォンになるという経営実績を記録した。

しかし、2013年には当期純利益が1,743億ウォンと少し回復され、2014年には27,990億ウォン、2015年には134,164億ウォンと、大きな利益を生むようになった。電子新聞(2015年12月6日)によると、KEPCOの発電子会社に適用する精算調整係数⁽⁵⁾を大幅に上げたことにより、



(出所)『2017年度の韓国電力統計』を参考に筆者作成。

(5) 精算調整係数は、ベースロード発電電源の精算単価を算定する時、適用する変数のことであり、韓国の電力産業の発電子会社の超過利潤を調整するため、2008年5月から導入された。0.0001から1の間の精算調整係数を適用し、最終の精算単価を決定する。

KEPCO の発電子会社の利益が急増したことが明らかになった。その金額は、2015 年の第 3 四半期だけで 1 兆 8,399 億ウォンとなり、これは前年度対比で 48%急増したことになる。具体的には、2015 年の上半期の精算調整係数は 0.1936 だったのが、下半期には南東発電が 0.5234、東西発電が 0.5349、西部発電が 0.5416、中部発電が 0.5466、南部発電が 0.5538 など 2 倍以上に上向いたことで、利益を調整したこととなる。これは精算調整係数が大きくなることにより、精算金額や営業利益が増加するからである。これにより、KEPCO は赤字を免れ、右肩上がりの上昇を見せることができた。言い換えれば、2015 年度に黒字になった一つの要因は上述した通り、KEPCO の発電子会社に精算調整係数を高く適用し、精算したことによるものであると考えられる。

また、連合ニュース（2019）によると、2019 年 2 月、KEPCO が「2019 年の財務危機の非常経営の推進計画案」を発表した。その内容は、2019 年の営業利益が 2 兆 4,000 億ウォンの赤字になる見込みであること、また当期純利益が 1 兆 9,000 億ウォンの赤字に落ちる見込みであることを発表した。これらの原因として挙げられたのは、原子力発電の安全性の強化、新・再生エネルギーの供給義務化制度（Renewable Energy Portfolio Standard、以下 RPS）⁽⁶⁾ などの環境費用の増加が主な要因であることを明らかにした。KEPCO は、このような赤字を免れるための解決案として、精算調整係数の廃止を提案した。この案により、1 兆 1,000 億ウォンを節減する効果があると予想している。

このように、KEPCO は一時的には利益を上げているように見えたが、実は KEPCO から完全に分離されていない発電子会社は、精算調整係数という制度により、その利益を膨らませていた可能性もある。このように電力規制改革の中断により発生した問題は、KEPCO の発電子会社を KEPCO から完全に分離させることができなかったことと、そのために内部補助制度により損失を埋めてきたことにもつながったと考えられる。

このように、精算調整係数により、KEPCO の発電子会社の利益を調整しながら、KEPCO の利益を確保あるいは調整するようなことを食い止めるためには、KEPCO から発電子会社 6 社を完全に分離させた方がよいと考えられる。

5) 電力取引市場について

(1) 電力規制改革前・後の変化

表 3 は、電力規制改革前と後を比較したものである。まず、電力販売については、電力規制改革前は、KEPCO が電力生産と販売を全て行っていたが、電力規制改革後は、電力取引市場が発電会社から電力を購入し、KEPCO が需要者に電力を販売する構造へと変化した。次に燃料の購入方式においても、規制改革前は、KEPCO が一括で購入していたが、規制改革後は、発電子会社が独自で判断し燃料を購入するようになった。さらに、発電設備の建設や運営などの情報の公

(6) 発電会社に総発電量の一定割合以上を新・再生エネルギーで供給することを義務付ける制度である。これは、新・再生エネルギーの普及を拡大するためのものであり、2012 年 1 月 1 日から施行されている。

表 3. 電力規制改革前・後の比較

| 区分 | 前 | 後 | 比較 |
|--------------------|-------------------------------|----------------------------------------------------------------------|----|
| 電力販売 | KEPCO が電力の生産と販売を行う | 電力取引市場の誕生。KEPCO の発電子会社と IPP は KPX に電力を販売。KEPCO は、KPX から電力を購入。需要者に供給。 | 変化 |
| 限界発電機の選定 | 変動費と容量で決定 | 変動費と容量で決定 | 同様 |
| 燃料の購入方式 | KEPCO が一括で購入 | 発電子会社が独自で購入 | 変化 |
| 発電設備の建設や運営などの情報の公開 | KEPCO の情報は公開されたが、発電子会社の情報は未公開 | KEPCO および発電子会社の情報は全て公開 | 変化 |
| 需要者の電力料金 | 制限されている | 制限されている (電力料金に多少の変動はあるが、それは電力規制改革によるものではない) | 同様 |

開面からみても、規制改革前は、KEPCO の情報は公開されたが、発電子会社の情報は公開されていなかった。規制改革後は、KEPCO および発電子会社の情報まで全て公開されるようになった。最後に、電力取引価格については、電力取引のために CBP を導入したが、政府の規制により、価格競争は行うことができなかった。

また、電力規制改革の中断により、CBP での取引が長くなっていたため、CBP での価格決定の問題の改善が余儀なくされた。

(2) 電力取引市場の変化

電力取引市場の変化については、主に価格決定の基準が変わった。4回にわたる変更は、1回目では、一般発電機と基底発電機に分けて価格が算定された。2回目では、一般発電機と基底発電機の区分をせず、単一価格が算定され、この時、基底発電機に適用するため、基底上限価格が導入された。3回目では、精算調整係数が導入されたが、これが4回目で廃止され、精算上限価格が導入されるようになった。さらに、政府承認差額制度 (Vesting Contract、以下 VC) も導入された⁽⁷⁾。

価格決定の基準が変わった理由は、燃料費が安い発電機を持つ会社に発生する過度な利益を抑制するためであった。もちろん、これは KEPCO の負担を軽減させることにもなる。しかし、KEPCO は、精算調整係数を導入したにもかかわらず、超過利益の制限に効率性が低く、このような精算調整係数の問題、系統限界価格 (System Marginal Price、以下 SMP) の変動の幅が大きいという問題を改善するため、また IPP の新規投資を誘発する目的で、VC を導入したという。確かに VC では、韓国電力取引所 (Korea Power Exchange、以下 KPX) での取引を行わず、政

(7) 価格決定基準の変化の期間は、1回目は、2001年4月2日から2006年12月31日まで、2回目は、2007年1月1日から2008年4月30日まで、3回目は、2008年5月1日から2013年2月28日まで、4回目は、2013年3月から現在までであり、さらに2015年にはVCが導入された。

府の承認の後、KEPCO と直接契約を締結する。これにより、中長期的に契約が締結され、電力取引価格においても安定化を図ることができる。しかし、精算調整係数や VC の導入は、発電子会社の過度な利益の発生を抑制するための手段に過ぎないと考えられる。

4. おわりに

韓国の電力産業の規制改革が、電力市場の構造の変化に影響を及ぼしたのは事実である。独占システムの電力市場が開放され、発電会社の新規参入を誘発した点では成果は確かであった。しかし、KEPCO の発電子会社と IPP の間の価格競争が行われていなかったのは、規制改革を行った趣旨に反することである。もともと政府により制限されている電力料金は、計画通りに規制改革が進んだとしても、電力の需要者に及ぼす影響は大きくなかっただろう。電力取引市場での価格決定は、KEPCO の発電子会社と IPP の間で公平に算定されていないことによって、IPP に大きな利益を生み出したこともあったり、一方で、KEPCO が赤字に陥る結果となったり、いずれリスクはあると考えられる。

また、電力取引市場に導入された VC は、IPP に新たな参入を誘発する目的もあるため、ますます IPP の新規参入は続く予想される。新規参入した IPP が自社の利益より、国のため、国民のため、安定的な電力供給を最優先にすることが最良であるが、反対に、発電設備の維持補修などを疎かにし、電力供給に問題が起った場合は、その被害は国全体が受けることになる。基幹産業である電力産業は、他の産業と異なり、何よりも安定性が重要視されなければならない。このことを考慮しても、電力産業に新たな規制改革が必要ではないかと考えている。

最後に、電力取引市場にいくつかの価格決定の変化はあったとしても、政府の規制により、KEPCO の発電子会社の利益までコントロールすることについては懸念がある。KEPCO が電力市場を今のまま維持していく計画であるなら、今の時点で、電力取引市場における価格決定方式をもう一度検討し、それを需要者の電力料金に正しく反映させるシステムへの改革を考えるべきである。

参考文献

- アン
安イルファン・姜スンジン（2014）「韓国の電力卸売市場（CBP）系統限界価格（SMP）の変動性の実証分析」『エネルギー経済研究』第13巻、第2号、pp.103-129。
- イム
林源赫（2004）「電力産業構造改編：主要争点と対案」『韓国開発研究院』。
- 韓国電力公社（2018）『2017年度の韓国電力統計』。
- 韓国電力取引所（2005）『変動費反映市場の評価診断および改善研究』。
- 韓国電力取引所（2014）『容量料金制度の改善および容量市場の導入に関する研究（最終報告書）』。
- 韓国電力取引所（2015）『差額契約制度の導入による影響分析および最適適用方案の研究』。
- 韓国電力取引所（2018）『2017年度電力設備の停止統計』。
- キム
金ストク・孫ヤンファン（2008）「卸売電力市場の価格決定に対する実証分析：容量料金および精算単価を

中心に」『エネルギー経済研究』第7巻、第2号、pp.27-52.

^{キム}金アウク・金クァンイン・趙ソンボン・崔ウジン (2015)「わが国の電力市場の容量料金制度の改善方案に関する研究」『エネルギー経済研究』第14巻、第3号、pp.293-318.

^{キム}金ナムイル (2002)「競争的な電力市場での入札均衡価格を予測するための理論的なモデルと実証分析」『エネルギー経済研究』基本研究報告書 02-04.

^{チョ}趙ソンボン (2000)「韓国の電力産業の構造改編と民営化」『エネルギー経済研究』第9巻、第2号、pp.4-41.

ホームページ

産業通商資源部 (2018)「今年の夏、安定的な電力需給の予想、国民の不便がないよう電力需給に万全」
(http://www.motie.go.kr/motie/ne/presse/press2/bbs/bbsView.do?bbs_cd_n=81&bbs_seq_n=160624、
2019年2月25日閲覧)

電子新聞 (2015)「上向きされた精算調整係数は変化なし—発電公企業は来年にも高収益保障—」
(<http://www.etnews.com/20151204000463>、2019年3月1日閲覧)

電力取引所 <https://www.kpx.or.kr>

連合ニュース (2019)「KEPCO “今年2兆4,000億の営業赤字を予測—非常経営突入”」
(<https://www.yna.co.kr/view/AKR20190212113251003?section=search>、2019年3月10日閲覧)

Philippe Debroux Curriculum Vitae January 2020

- Lecturer in the Faculty of Business Free University of Brussels from June 1986 to June 1989
- Associate Professor of International Management and European Economy at Okayama Faculty of Economics from September 1990 to March 1994
- Professor of International Management and European Economy at the International Faculty (Economics Department) at Hiroshima City University from April 1994 to March 2000
- Visiting Professor at Chuo University (Japan), in charge of a graduate course on International Economics from 2007 to 2017
- Visiting Professor at Sophia University (Japan), in charge of a course on Human Resources in Japan Faculty of Liberal Arts from 2008 to 2017
- Professor of International Management and Human Resource Management at Soka University, Faculty of Business Administration from April 2000 to Mars 2018
- Professor Emeritus of International Management and Human Resource Management at Soka University, Faculty of Business Administration from April 2018

Educational Background:

PhD in Applied Economics (Brussels Free University – Solvay Brussels School)

MBA (INSEAD – France)

Bachelor in Economics (Brussels Free University)

Current Academic Activities:

- Adjunct Professor at Lakeland University Japan in charge of courses on International Business and Introduction to Business
- Adjunct Professor at Soka University, Faculty of Business – Teaching on Production Management, International Human Resource Management and Cross-cultural Management
- Visiting Professor at National Economics University (Hanoi) and Open University (Ho Chi Minh)
- MBA Program, course on International Human Resource Management on a yearly basis since 2006
- Visiting Professor at Rennes National University (France), in charge of a course on Japanese Management System on a yearly basis since 1992
- Visiting Professor at Ecole de Management Bretagne Atlantique (France) in charge of a course on Japanese Management since 2001

Publications: 2000-2018**Books**

- Female Entrepreneurship in Asia, Chandos Publishers, 2010
- Asia's Turning Point, co-author with Ivan Tselichtchev, John Wiley and Sons, 2009
- Innovation in Japan, co-editor with Keith Jackson, Routledge, 2009
- Human Resource Management in Japan: A Time of Uncertainties, Ashgate Publisher, 2003

Recent Chapters in Books (2010 – 2019)

- Senior Employment, Comparative study between Japan and France, in Human Resource Development, Comparison between Japan and France from Diversity and Inclusion Point of View, Futagami, S., ed. Chuo Keizaiisha (in Japanese). Co-author with Julien Martine, Paris Diderot University
- ESG policies and practices in Asia: toward contingent convergence in, H. Hasegawa and M. Witt (eds), Asian Business and Management, Palgrave Macmillan, 2019
- Human Resource Management in Japan in W. Harris and C. Brewster (eds), 'Handbook on Comparative Human Resource Management', Edward Elgar Publishers, 2018
- Elderly workers in Japan, in K. Jackson and P. Debroux (eds), Management Review Special Number, 2016
- Equality in Japanese Companies Human, in P. Haghirian (ed), Routledge Handbook of Japanese Business and Management, London: Routledge 2016
- Recruitment in Japanese Companies, in P. Haghirian (ed), Routledge Handbook of Japanese Business and Management, London: Routledge 2016
- The Growing Acceptance of Global Standards by Japanese Companies and its Implication in term of Social Disclosure, In Corporate Social Disclosure: critical disclosure in China and Japan, C. Norohna (ed), London: Palgrave-Macmillan, 2015
- Human Resource Management in Japan, In Managing Human Resources in Asia-Pacific, P. Budwahr (ed), Routledge, 2014
- Sustainable Human Resource Management in East and Southeast Asia, In Sustainable Human Resource Management, I. Ehnert (ed), Springer-Verlag, 2013
- Human Resource Management in Korea, in 'Handbook on Comparative Human Resource Management' (eds. C. Brewster et alii), Edward Elgar Publishers, 2011
- Entrepreneurship Management in Japan, in 'The Dynamics of Regional Innovation: the Case of Japan and Europe' (eds. Y. Lecler and T. Fujimoto), World Scientific, 2011

Human resource management and employment systems in Asia: directions of change and new challenges, Chapter 5 in *Challenges of Human Resource Management in Japan*, Bebenroth and Kanai (eds), Routledge, 2011

Recent Articles (2010 – 2018)

Elderly workers in Japan, *Soka Keiei Ronshu*, No. 53, March 2017

Equality in the Japanese Workplace, *Soka Keiei Ronshu*, No. 49, March 2015

Spiritualism and Social Compact in Japan, *Soka Keiei Ronshu*, No. 46, March 2014

Sustainable Human Resource Management in Asia, *Soka Keiei Ronshu*, No. 44, March 2012

L'entrepreneuriat féminin en Asie de l'Est et du Sud-Est, *Ebisu*, No. 45, December 2011

Le développement de l'entrepreneuriat féminin en France et au Japon, in *経済研究所研究叢書 50号 / 第3章*, 中央大学出版部、pp. 57-82, March 2010

Human resource management in Asia, *Soka Keiei Ronshu*, No. 36, March 2010

Other Publications

Special number of the *Management Review* (Germany) titled: *Ageing Societies: Comparing HRM Responses to the Career Expectations of Older Employees in Germany and Japan* published, 2016

Recent Participation to Conferences

Presentation on new psychological contract for elderly workers in Japan, European Association for Japanese Studies, Lisbon, September 2017

Presentation on elderly workers in Japan, East Asian Conference, Pusan Chukyu University, October 2016

Presentation on elderly workers in Japan, European Association of Japanese Studies, Japan Conference, Kobe University, August 2016

Presentation on elderly workers in Japan and Germany, East Asian Conference, University of London (SOAS), September 2016

Presentation on elderly workers in Japan, European Association of Japanese Studies, Japan Conference, September 2016

Presentation on elderly workers in Japan and Germany, East Asian Conference, University of London (SOAS), September 2016

Presentation on leadership in Asia at the Sustainability Leadership Summit, Xavier University, Bhubaneswar (India), June 16 to 18 2015

Presentation on elderly employment in Japan at the yearly conference of the British Association of Japanese Studies, University of London (SOAS), September 2015

Presentation on elderly employment in Japan and Europe at the yearly conference of the Rodo Keizai Kenkyukai (Research Group on Labor Economics), Gakushikan, October 18

Research Interest

- Human resource management in Japan, especially the issues of new forms of work and the issue of the treatment of the elderly workers: ongoing project on elderly employment in Japan and in Europe
- Human resource management in Asia: Japan, South-Korea, Malaysia, Vietnam, India; on going field research, focusing especially on Japan and Vietnam in the last five years
- Sustainable development focusing on the fulfilment of the UN Sustainable Development Goals related to labor issues

Recent Thesis Supervision

2017 Entrepreneurship in Malaysian education system

2017 The automotive industry in India: the case of Japanese manufacturers

2016 The Entrance of Foreign Retailers in India: the Impact on Employment on Small Retailers
(expected graduation in September 2016)

2015 Automotive Industry in Mexico: a HRM Sustainability Approach

創価大学経営学会会則

- 第1条 本会は創価大学経営学会と称する。
- 第2条 本会の事務所は創価大学経営学部に置く。
- 第3条 本会は広く経営学並びにこれに関連する諸科学の考究およびその普及を図り、併せて研究者相互の協力と便宜を促進し、内外の学会との連絡を図ることを目的とする。
- 第4条 本会は前条の目的を達成するため、次の事業を行なう。
1. 機関誌「創価経営論集」の発行
 2. 研究会ならびに講演会の開催
 3. 公開講座の開催
 4. その他役員会において適当と認めた事項
- 第5条 本会の会員は、次の5種類とする。
1. 正会員 本学専任教員及び創価女子短期大学の教員で入会を希望し総会の承認を得た者
 2. 学生会員 本学の経営学部学生で所定の会費を納めた者
 3. 院生会員 本学の経済学研究科院生で所定の会費を納めた者
 4. 特別会員 本会の趣旨に賛同し、正会員総会の承認を得た者
 5. 賛助会員 本会の趣旨に賛同し、正会員総会の承認を得た法人及び団体
- 第6条 会員は所定の会費を納めなければならない。
会費の額は正会員総会により決定する。
- 第7条 会員は本会の機関誌その他の刊行物の頒布を受け、各種の会合に出席することができる。
- 第8条 総会は正会員によって構成される。
通常総会は毎年1回、臨時総会は必要に応じ会長がこれを招集する。
- 第9条 本会は次の役員を置く。
1. 会長 1名
 2. 委員 若干名
 3. 監査 1名
- 第10条 会長は経営学部長をもってこれにあてる。
他の役員は総会において選出し、その任期は1年とする。但し再任を妨げない。
- 第11条 役員は次の任務を有する。
会長は会務の全般を統轄し、本会を代表する。
委員は会長の指揮に従って本会の諸業務を担当する。
監査は本会の業務並びに会計を監査する。
- 第12条 会長は通常総会において当該年度の業務報告及び会計報告をし、その承認を得なければならない。
- 第13条 この会則の実施に関して必要な細目は総会の決議により、別に規定する。
- 第14条 この会則及び諸規定の改廃は総会の決議による。

付 則

- 第1条 本会の事業年度は4月1日より始まり、翌年3月31日に終る。
- 第2条 この会則は昭和51年4月2日よりこれを実施する。

創価大学経営学会正会員（五十音順）

天 谷 永
○國 島 弘 行
○志 村 裕 久
徐 明 玉
野 村 佐智代
○平 岡 秀 福
松 本 敬 子
蒙 雪 超
安 田 賢 憲

○大 場 隆 広
◎栗 山 直 樹
シュレスタ・サハデブ
○中 村 みゆき
波多野 一 真
△前 田 清 隆
○マルチュケ・ダービット
望 月 雅 光
リム・タイ・ウェイ

◎印は会長

○印は令和元年度委員

△印は同年度監査

執 筆 者

| | |
|-------------|-----------|
| フィリップ・ドボル | 本学名誉教授 |
| 栗山 直樹 | 本学教授 |
| 志村 裕久 | 本学准教授 |
| リム・タイ・ウェイ | 本学准教授 |
| 神門 善久 | 明治学院大学 教授 |
| ダービット・マルチュケ | 本学専任講師 |
| 徐 明玉 | 本学助教 |
| 高橋 浩夫 | 本学非常勤講師 |

創 価 経 営 論 集 第44巻 第1号

令和2年3月31日 発 行

編集・発行人 創 価 大 学 経 営 学 会
(〒192-8577 東京都八王子市丹木町 1-236)
電話 (042) 691-2211 (代)

代 表 栗 山 直 樹

製 作 株式会社紀伊國屋書店

SOKA KEIEI RONSHU

THE REVIEW OF BUSINESS ADMINISTRATION

Vol. 44 No. 1 March 2020

Contents

Articles:

- On the Issue of the Collection of Articles to Commemorate
Professor Philippe Debroux's Retirement *Naoki Kuriyama* 1
- Considerations on the Customer Experience Management Cycle *David Marutschke* 3
- Employment of Elderly Workers in Japan:
the Limits of the Current system and Assessment of the Conditions
for the Emergence of a New Dynamics *Philippe Debroux* 13
- The Basics of Business Ethics and CSR in JAPAN *Hiroo Takahashi* 31
- A Case Study of Non-Mainstream Local Governance and the Political Economy
of Business Revitalization in Osaka *T. W. Lim / Y. Godo* 51
- Formation of the Concepts of Human Resource and Human Resource Management:
Transformation from Industrial Relations and Personnel Management
(A Research Note) *Naoki Kuriyama* 65
- Overview of the Danish Financial System *Hirohisa Shimura* 81
- South Korea's Electricity Trading Market
— Before and After Regulatory Reform and Issues — *Myung-ok SEO* 103
- Philippe Debroux Curriculum Vitae January 2020 113

Published by
The Business Administration Society
Soka University