



Recent Activities of Capitalism and Democracy Research Project

The Capitalism and Democracy Research Project (Takahiro Nakajima: Principal Research Director; Director and Professor, Institute for Advanced Studies on Asia, The University of Tokyo) is mindful that environmental and inequality issues stemming from excessive market fundamentalism as well as the crisis of liberal democracy have come into sharp relief and that the state of capitalism and views of humanity and society need to be reviewed and updated in order to overcome these. With this awareness, the project promotes research

while utilizing accumulated wisdom from the liberal arts including philosophy and conducts dialogue with domestic and overseas experts from various fields. The results of its research to date have been released through such publications as the Monthly Keidanren, the 21st Century Public Policy Institute pocketbooks, and the 21st Century Public Policy Institute News Letter.

Recently, there has also been an opportunity to discuss such an awareness of the issues at the University of Oxford and the Kyoto Institute of Philosophy.



■ Visit to the University of Oxford

The concept of “ethical capitalism” advocated by Professor Markus Gabriel of the University of Bonn, who has held discussions several times with the Capitalism and Democracy Research Project, has also been introduced in the 21st Century Public Policy Institute News Letter (June 2024). A person who has greatly influenced Professor Gabriel’s views is Professor Colin Mayer of the University of Oxford, who advocates “purpose management.” In addition, there are many other

professors at the university who have analyzed capitalism to date and researched the orientation of a desirable capitalism. As part of the Capitalism and Democracy Research Project, Principal Research Director Nakajima visited the University of Oxford from 6 to 9 October. On this occasion, he focused on meetings with Professor Mayer, Professor Paul Collier and Professor Hugh Whittaker and reports his summary of their views below.



◆ Professor Colin Mayer



Field of expertise: Management studies

Affiliation: Saïd Business School and Blavatnik School of Government

Main publications: “Prosperity: Better Business Makes the Greater Good” (2018); “Capitalism and Crises: How to Fix Them” (2024)

Humans are social beings who help one other. Therefore, what is important in business is how to realize and utilize this human sociality. Working together as a group can yield much more than the sum of individuals' abilities. A company should recognize this and put it into practice. It is necessary that this not be limited to within a company, but rather that a business itself becomes an entity to help others. A business that earns a profit by supporting others truly leads to the realization of human sociality. By

legally defining the purpose and nature of a business, it may be possible to achieve such a social structure.

If a business earns a profit from resolving issues, a government's support of that is in the public interest. If so, collaboration naturally becomes essential. Especially when working to resolve social issues, collaboration among companies and with public institutions and the government is indispensable.



◆ Professor Paul Collier



A company by nature seeks to be sustainable. If so, what a business is able to offer to society should be great, and a business with a sense of social purpose arguably has a big chance. Also, a business needs long-term thinking in the form of enlightened self-interest.

For example, there are issues of regional disparity and

Field of expertise: Economics and public policy

Affiliation: Blavatnik School of Government

Main publications: "Greed is Dead: Politics After Individualism" (co-author, 2021); "Left Behind: A New Economics for Neglected Places" (2024).

demographics, but young people are needed to spur innovation and are essential to sustain a highly profitable business. A business must be trustworthy in order for young people to have hope for the future and this requires sustainability. And this is the responsibility a company has to society.



◆ Professor Hugh Whittaker



Principal Research Director Prof. Nakajima (left) and Prof. Hugh Whittaker (right)

Field of expertise: Economy and business of Japan

Affiliation: Nissan Institute of Japanese Studies

Main publications: "Compressed Development: Time and Timing in Economic and Social Development" (co-author, 2020); "Building a New Economy: Japan's Digital and Green Transformation" (2024)

Japan arguably has three different vectors of capitalism at present: market capitalism, stakeholder capitalism and nationalist capitalism. There is a concern that, with the implementation of various policies based on a security perspective, there may be a strengthening in the direction of nationalist capitalism. In addition, there is a sense of crisis about the economy becoming overly biased toward the current market capitalism. By balancing the three, development toward the next dimension of capitalism may be possible.

When different vectors collide, frictions occur, but it is necessary to turn that friction into something healthy and to create something new from that friction. For this, dialogues between countries and companies and between countries and societies (not at the individual company level, but with organizations such as Keidanren) are essential. Japanese people are good at balancing contradictory things without making them black and white, and this is wonderful.



All three professors strongly expressed a view that US and UK companies were focused excessively on the short-term profit objective. With the latest visit, it was possible to have an exchange of opinions on the need for companies to have a long-term perspective and to work for the resolution of social challenges. As some of the professors are expected to visit Japan going forward, the

Capitalism and Democracy Research Project is considering future collaboration.

※ We would like to take this opportunity to thank Alison Beale, Director of the University of Oxford's Japan Office, for all of her efforts to make this latest visit possible.

■Participation in the Kyoto Institute of Philosophy's Kyoto Conference preparatory meeting

Director Takashi Yoshimura of The 21st Century Public Policy Institute, participated in a meeting sponsored by the Kyoto Institute of Philosophy at Kiyomizu-dera Temple in Kyoto from 2 to 3 July 2024.

The Kyoto Institute of Philosophy was established in July 2023 by Nippon Telegraph and Telephone Corporation and Professor Yasuo Deguchi (Dean, Kyoto University Graduate School of Letters) with the aim of realizing a "Society of Multi-layered Values" and "para-consistent world" where various values coexist in a way that tolerates contradictions. The institute plans to hold a "Kyoto Conference" in September 2025, with representatives from industry, academia and art/design gathering to reconsider views of humanity and values at the root of modern society and to hold discussions and dialogues aimed at a desirable society.

The meeting attended this time around was to prepare for the Kyoto Conference, and opinions were exchanged on the value concept proposed by the Kyoto Institute of Philosophy.

The 21st Century Public Policy Institute endorses the

activities of the Kyoto Institute of Philosophy, which approaches social challenges from the perspectives of philosophy as well as humanities and social sciences, and plans to collaborate with the institute in the future as well.



Scene from the meeting

(Arisa Nishimura, Fellow)

Symposium on the “2024 US presidential election and future of the international order” is held

The United States Studies Project (Fumiaki Kubo, Principal Research Director; President, National Defense Academy) held a symposium on the “2024 US presidential election and future of the international order” at the Keidanren Kaikan in Otemachi, Tokyo on 18 September. In the first half, Professor Emeritus Shinichi Kitaoka of the University of Tokyo delivered a speech. In the second half, a three-person panel discussion was held with Principal Research Director Kubo serving as the moderator and speaking with Professor Emeritus Kitaoka and Deputy Research Director Kazuhiro Maeshima (Professor, Faculty of Global Studies, Sophia University). Below is a summary.

■Speech: “World map in an era without a hegemon” (Shinichi Kitaoka, Professor Emeritus, the University of Tokyo)

Terrorist violence has spread globally and the world has entered an era without a hegemon. The United Nations (UN) has played a role in steering conflicts toward peaceful resolution, but the permanent members of the Security Council that should assume this responsibility have trampled on it. Also, developing countries that account for the majority of UN membership are reluctant about the sanctions resolution against Russia. This is because a true developing country that cannot even be called an emerging country is unable to participate in sanctions at their own expense and risk, and because the impact of food and oil price hikes due to global turmoil is large.

In this context, Japan has a role in rebuilding international cooperation. This requires revitalizing Japan’s own economic cooperation and strengthening its security capability. It is important to build long-term relationships of trust among countries rather than pursuing immediate profits for one’s own country first.

One example is the development support by the Japan International Cooperation Agency (JICA), which built a school for girls in a region of Pakistan. In Madagascar, a staff member at a local JICA office became the minister in charge and spread hand-washing during the COVID crisis. Even if the amount of monetary support was less than that of other countries, such an indirect, long-term approach is effective and is appreciated as a gesture of truly caring about the locals.

In the US, even fundamental questions of, for example, the right to abortion can be changed by election results. We need to prepare for coming changes. For that, it is

necessary to improve relations with developing countries and also to appeal to emerging countries, building relations with neighboring Southeast Asia in the Western Pacific region in particular.



Mr. Shinichi Kitaoka

■Panel discussion

As the US presidential election approached in November, Deputy Research Director Maeshima gave his analysis of the prevailing situation, saying former President Trump had only consolidated support in his image, while Vice President Harris had not gone through the primary election process, making for two weak candidates lacking a winning hand. He remarked that it was a tight race with the future of 340 million people to be decided by around 50,000 people (in swing states).



Deputy Research Director Maeshima

In addition, Deputy Research Director Maeshima raised the issue of how to cope with forces obstructing international cooperation. On this, Professor Emeritus Kitaoka pointed out that support was needed to protect the national sovereignty of emerging and developing countries vulnerable to pressure. He introduced the



Principal Research Director Kubo

example of strengthening maritime security capabilities in the Philippines through the support of JICA. Professor Emeritus Kitaoka indicated his belief that sending foreign students who could be involved in the

future national politics of their countries to Japan for study abroad would lead to retaining relationships between countries for 30 to 40 years. In this regard, Principal Research Director Kubo commented that many of the military leaders in Thailand, where the study abroad system with the National Defense Academy of Japan has continued since the 1950s, in Singapore, where it has continued since the 1970s, and in ASEAN countries, where it has continued since the 1990s, have experience studying abroad in Japan and that very strong interpersonal relationships and trusting have been built as a result.

In addition, there were discussions about the situation in the Ukraine and in Palestine stemming in part from the questions of attendees at the venue.

(Satoshi Ushiyama, Senior Fellow)

Current events commentary on “US domestic politics and foreign relations – focus on 2024 US presidential election” is published

The United States Studies Project (Fumiaki Kubo, Principal Research Director; President, National Defense Academy) has published the current events commentary of research fellows on the website of the 21st Century Public Policy Institute.

Each research fellow commented on the trend in major

policies of the two parties going into the November 2024 US presidential election, and the current state of US democracy.

(Satoshi Ushiyama, Senior Fellow)

Research field: United States
<http://www.21ppi.org/theme/usa/index.html>
 (Japanese language only)



	Writer	Publication date
1	Kazuhiro Maeshima, Deputy Research Director (Professor, Faculty of Global Studies, Sophia University)	29 Aug
2	Yusuke Nishizumi, Research Fellow (Concurrent Lecturer, Faculty of Law, Chuo University)	5 Sep
3	Ryuji Fujimoto, Research Fellow (Professor, Faculty of Liberal Arts, Teikyo University)	26 Sep
4	Kota Matsui, Research Fellow (Associate Professor, Faculty of Social Sciences, Kyorin University)	3 Oct
5	Hana Umekawa, Research Fellow (Associate Professor, Faculty of Law, Komazawa University)	17 Oct
6	Takeshi Umekawa, Research Fellow (Professor, Graduate Schools for Law and Politics and the Faculty of Law, University of Tokyo)	31 Oct
7	Ayako Sugino, Research Fellow (Associate Professor, Faculty of Law, Musashino University)	21 Nov
8	Fumiaki Kubo, Principal Research Director (President, National Defense Academy of Japan)	5 Dec

A symposium on the “social structure in China and new developments in international relations” is held

On 23 July, the China Studies Project (Shin Kawashima, Principal Research Director; Professor, Graduate School of Arts and Sciences, the University of Tokyo) held an online symposium on the “social structure in China and new developments in international relations.” In the first half, the three research fellows and Principal Research Director Kawashima delivered speeches. In the second half, Principal Research Director Kawashima served as the moderator and held a panel discussion with the three fellows. Below is a summary.

■Sustainability of social security system in China and related challenges

(Yuki Katayama, Researcher, Insurance Research Department, NLI Research Institute)

The social security system in China, contrary to the welfare state systems in Europe and Japan, for example, puts more weight on private sector security and the preparations of family and self than on the public sector security. Amid the rapid population decline, falling birthrate and aging population, social security-related expenditures, especially pension costs, have grown large. The Chinese government is advancing institutional reforms such as raising the pensionable age, while also encouraging the development of new insurance products for the expansion of the private-sector market.



Research
Fellow
Katayama

■Mobilization-based development and rural communities

(Zheng Haolan, Associate Professor, Faculty of Policy Management, Keio University)

Developing society through political mobilization led by Communist Party executives and bureaucrats is what I call “mobilization-based development.” Political mobilization means dispatching Communist Party executives to distant rural communities, evaluating the accomplishment of their mission and having them compete to this end. It is an approach that has been taken since long ago, but has been taken frequently under the

Xi Jinping administration in particular. A typical example is the poverty reduction campaign, where an improvement in rural living conditions is visible, so discontent with the policy among farmers is not observed.



Research
Fellow Zheng

■International relations of Hong Kong in the “new Cold War” era

(Toru Kurata, Professor, College of Law, Rikkyo University)

Even amid “New Cold War” politics and rapidly changing international relations, the Xi Jinping administration seeks to maintain the traditionally superior features of the Hong Kong economy. In reality, however, Hong Kong’s former strengths of freedom and neutrality have been shaken and its relations with the West have deteriorated, with its economy at the mercy of policy changes by China itself. Hong Kong needs to transform its economic structure dependent on Western nations and the real estate industry and find a new path involving, for example, economic integration with neighboring Guangdong Province and Macao in order to adapt to Chinese-style modernization.



Research
Fellow Kurata

■Inauguration of new Lai Ching-te administration and US-China-Taiwan-Japan relations (Principal Research Director Kawashima)

In his inauguration speech in May, President Lai Ching-te remarked that he would continue with the policies advanced by the Tsai Ing-wen administration, including an economic policy that reduces dependence on China

and a security policy with the FOIP (Free and Open Indo Pacific) in mind. What is important in looking at China-Taiwan relations is identifying how China itself evaluates and judges the reunification policies such as economic sanctions and infiltration activities it imposes on Taiwan. US involvement in Taiwan is uncertain, but even under a Trump administration, it will likely continue to show a high level of interest.



Principal
Research
Director
Kawashima

■Panel discussion

Principal Research Director Kawashima pointed out that it is necessary to grasp developments in various areas in order to understand the situation in China and that regional or urban-rural disparities and generational differences in values should be taken into account in the process. Together with the fellows who took the stage, he discussed 1) the evaluation of the Third Plenary Session (an important meeting that sets the course for economic policy); 2) the Xi administration's vision for what Hong Kong should be like; and 3) the impact of company inducements and investment activities for rural revitalization. There were also many questions from the audience on, for example, 1) the potential for achieving structural change in the Hong Kong economy; 2) US policy on Taiwan under US presidential candidate Kamala Harris; and 3) the feasibility of the Taiwan economy reducing its dependence on China.

(Yuko Chiba, Senior Fellow)

A report on “EU policy toward China – China as viewed from the EU” is published

The Europe Studies Project (Takao Suami, Principal Research Director; Professor of Law, Waseda Law School) compiled its FY2023 research results into a report titled “EU policy toward China – China as viewed from the EU.”

How to build relations with China, which boasts the second largest economy after the US and continues to strengthen its military power, is a shared challenge for the EU and Japan. As the political and economic conflict between the US and China intensifies, EU policy on China can serve as reference for Japan in formulating its own policies with China.

In addition, since the current state and future of relations between China and the EU, where many Japanese companies have expanded locally and trade volumes with

Japan are large and will impact on the global strategies of Japanese companies, the project believes that on what kind of awareness of the issues the EU revises policies and reforms laws and regulations is a matter of great interest to these companies, and has conducted an interdisciplinary study from the three fields of politics, economics and law.

In this report, 10 experts who participated in the research project discuss the results.

The full text of the report is published on the website
[http://www.21ppi.org/
theme/2024/10/31154845.html](http://www.21ppi.org/theme/2024/10/31154845.html)
(Japanese language only)



< Writers (no particular order) >

Takao Suami, Professor of Law, Waseda Law School

Ryosuke Amiya, Professor, College of Liberal Arts, Tsuda University

Sayuri Ito, Executive Director, Economic Research Department, NLI Research Institute

Mikoko Ohta, Associate Professor, Department of Economics, Nihon University

Tomoya Kuroda, Associate Professor, School of Law, Senshu University

Shunsuke Sato, Associate Professor, Institute of Human and Social Sciences, Faculty of International Studies, Kanazawa University

Hitoshi Suzuki, Visiting Senior Research Fellow, Institute of Geoeconomics, International House of Japan

Soko Tanaka, Emeritus. Professor, Tohoku University

Yumiko Nakanishi, Professor, Graduate School of Law, Hitotsubashi University

Yorizumi Watanabe, President, Fuji Women's University

(Kota Aono, Senior Fellow)

“Asia-EU Roundtable 2024” is held

On 25 October, the 21st Century Public Policy Institute held the “Asia-EU Roundtable 2024” at the Keidanren Kaikan in Otemachi, Tokyo.

The roundtable involves economists from Asian and European countries discussing policy on global commerce and trade and has been held for more than 10 years on a rotational basis. This year, it was held in Japan with the sponsorship of Waseda University, where Yukiko Fukagawa, Principal Research Director of the 21st Century Public Policy Institute’s Korea Studies Project serves as a professor, so the institute collaborated with the university and held a meeting titled “Global trade system challenges: From Asian and European viewpoints.”

The roundtable began with presentations and opinion

exchanges on changes in trade within the Asian region, followed by the sustainability and resilience of global value chains, then geopolitical risk and economic security. In the final session, there was a discussion on the future outlook for international cooperation and the global trade system. (Yasuhiro Iwasaki, Senior Fellow)



An exchange with students from Sungshin University (Seoul, Korea) is held

On 17 July, the 21st Century Public Policy Institute held an exchange with students from Sungshin University at the Keidanren Kaikan in Otemachi, Tokyo.

The exchange was realized at the request of students who had seen media coverage of a seminar on the birthrate decline and regional revitalization* held in Seoul, Korea in March. The six visiting students selected “the birthrate decline and population aging issue in Japan and Korea” under the “2024 summer global company visitation program” run by the university and came to Japan to learn about the efforts of Japanese companies and related institutions and searched for ways to apply them to Korean society. For the exchange, Professor Yukiko Fukagawa of Waseda University, who serves as the Principal Research Director of the Korea Studies Project,

gave a lecture at the institute, then had an open exchange of opinions during the followup Q&A session as well. (Yasuhiro Iwasaki, Senior Fellow)

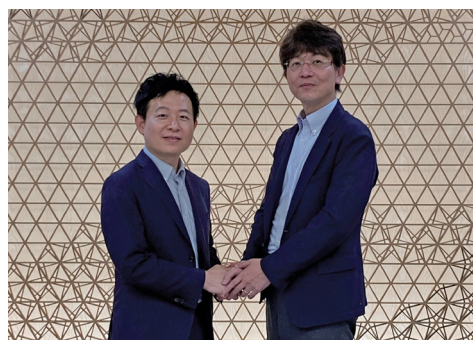


* “The role of companies in overcoming birthrate declines and regional extinction: a comparison of Japanese and Korean experiences,” a joint seminar of the 21st Century Public Policy Institute and Korea Economic Research Institute (KERI) (held 28 March 2024)

A meeting with Director Li Shihui of Taiwan-Japanese Studies in a Global Society is held

On 29 August 2024, the 21st Century Public Policy Institute used the opportunity of a visit to Japan by Director Li Shihui of Taiwan-Japanese Studies in a Global Society to set up a meeting in Otemachi, Tokyo and hold an exchange of opinions with Director Takashi Yoshimura of The 21st Century Public Policy Institute. During the meeting, they exchanged opinions on the expectations and outlook for Kyushu, where major semiconductor manufacturer TSMC is expanding, and on Japan-Taiwan relations around semiconductor strategy.

(Yuko Chiba, Senior Fellow)



From left: Director Li Shihui, Director Yoshimura

