

The Japan Times

Davos Special

Wednesday, January 21, 2015



(Clockwise from above) The town of Davos, Switzerland; the 2015 annual meeting of the World Economic Forum will take place in Davos from Jan. 21 to 24; Flags fly in front of the congress center at the 2014 annual meeting; Klaus Schwab, founder and executive chairman of the World Economic Forum welcomes participants to the 2014 meeting on Jan. 21, 2014. WORLD ECONOMIC FORUM

Business leaders confident of recovery in coming year

Minoru Matsutani
STAFF WRITER

This is definitely the year in which Japan will end its deflationary spiral.

That is the general sentiment among Japanese business leaders, including Japan Business Federation Chairman Sadayuki Sakakibara.

"We've got to establish a way to revitalize the Japanese economy this year," Sakakibara said at a news conference in Tokyo earlier this month. "We likely saw positive economic growth in the October to December period and will also have positive growth in the January to March period. Company earnings are good, unemployment is low, oil prices are down and consumption will expand."

The Japanese economy will be a feature at Thursday's "The Japan Outlook," one of the conferences at the annual meeting of the World Economic Forum, dubbed Davos after the Swiss resort where it is held. Session participants will discuss the next phase of "Abenomics," or Prime Minister Shinzo Abe's economic measures, among other issues.

One hot topic is likely to be the postponement of a planned consumption tax hike from October 2015 to April 2017.

Abe in November announced the delay after it was learned the economy shrank 1.6 percent on an annualized basis during the July to September period from the previous quarter. That figure was in contrast with an average market forecast of a 2 percent expansion. The shrinkage was revised down to 1.9 from 1.6 in December.

However, Sakakibara and other Japanese business leaders have said the bad times are over. Such poor results have been offset by good news such as the postponement of the tax hike and the consequent expectation of increased individual consumption.

Continued growth is thought to be likely during the next fiscal year, with



Prime Minister Shinzo Abe speaks to company executives and other guests at a New Year's gathering of business leaders in Tokyo on Jan. 6. KYODO

Sakakibara estimating annual economic growth to be around 1.7 percent.

That is in line with the predictions of other business leaders. According to a survey by the Nihon Keizai Shimbun business daily, published Jan. 3, the average of estimates by 20 Japanese company leaders is 1.7 percent, with a range of 1.25 percent to 2.4 percent.

The International Monetary Fund in October estimated Japan's gross domestic product growth for this calendar year at 0.8 percent. The Organisation for Economic Co-operation and Development in November also predicted Japan's economic growth will be 0.8 percent for 2015. The Bank of Japan's estimate in November was 1.5 percent growth in fiscal 2015.

Mizuho Financial Group CEO Yasuhi-

ro Sato, who gave the 2.4 percent estimate, said in the survey that strong company earnings will lead to wage increases and a clear recovery of individual consumption. He also said companies will expand capital spending on expectations of future demand increases.

Wages are expected to increase because the yen's recent depreciation improves earnings of export-heavy companies and those with branches outside Japan. The dollar is hovering around ¥120 this month, compared with about ¥105 at the same time last year.

"Companies with strong earnings will probably raise wages. That will brighten consumer morale and individual consumption will increase," the Japan Association of Corporate Executives

Chairman Yasuchika Hasegawa said.

While few company leaders clearly said they would increase wages, they indicated they are likely to do so.

"We don't know for sure if we'll increase wages this spring. We'll watch our earnings going forward. There's been no concrete decision, but we're positively considering increasing wages," Nomura Holdings Inc. Group CEO Koji Nagai said in a sideline interview with media during a New Year's party of business leaders at the Hotel New Otani, Tokyo, earlier this month.

Trading company Itochu Corp. President Masahiro Okafuji said he wants to create a virtuous cycle of increasing earnings, wages and motivation.

"It's important to reward employees if companies post profits," he told journalists at the hotel.

Some company leaders pointed out that while inbound tourism is strong, thanks to a combination of the weak yen and the government's "Cool Japan" push, a campaign to promote Japanese culture, the government and businesses should continue to work on attracting tourists. The number of foreign tourists to Japan reached a record high last year, exceeding 13 million, with the government setting a target of 20 million by 2020.

"Tourism will definitely continue to be brisk. We should improve services, such as increasing the number of duty-free shops and making multilingual services available. These are good for not just companies, but also for the country," Lawson Inc. CEO Genichi Tamatsuka said at the hotel.

Seibu Holdings Inc. President Takashi Goto also said inbound tourism will grow this year due to the government's policy promoting it. Seibu Holdings operates the Prince Hotel chain.

Capital spending is also expected to rise this year.

"The economy is better in every respect. The demand-supply gap will be

eliminated this year. Workers are in demand and wages will go up. To meet growing demand, companies will increase capital spending, which will create demand. It's a virtuous cycle," Tokyo Chamber of Commerce and Industry Chairman Akio Mimura said.

"I was wondering why exports have not increased much yet, despite the weak yen. I think this indicates there are plenty of opportunities for companies to spend money on raising production capacity," he said.

Business leaders also praised the plan to lower corporate taxes, noting that money saved from the cut can be spent on investment, Tamatsuka said.

Another factor contributing to this year's bright outlook is Abe's commitment to work on economic reform.

At the New Year's gathering, Abe told the business leaders, "This Diet session will surely be the one to realize reforms."

Of the economic reforms, deregulation of medicine, agriculture and the caretaking and nursing industry — which have been heavily regulated to protect existing companies from newcomers — would stimulate the economy and ensure long-term growth for Japan, the business leaders said. They also agreed that the government should implement the reforms in designated economic areas so as to realize concrete examples as soon as possible.

"I have very high expectations for the government. I want the government to make Japan an attractive market for investors. Deregulation and establishing designated economic areas will help us find the way to long-term prosperity," Hasegawa said.

He also said reaching an agreement on the Trans-Pacific Partnership, or TPP, is very important for the Japanese economy.

"I would like Japan to take the lead and hopefully reach an agreement this spring," he said. The U.S., one of the negotiating countries, may steer focus

away from the TPP this fall because politicians will be gearing up for the 2016 presidential election, he added.

The TPP is a proposed regional regulatory and investment treaty under negotiation by 12 countries in the Pacific region. While the U.S., Japan and Australia are among those in the negotiations, China is not.

Business leaders' faith in Abe is backed by the victory of his Liberal Democratic Party in the general election in December. Following his decision to postpone consumption tax hike, he called the election to ask voters to judge his decision.

Abe should be happy with the result. The ruling coalition — the LDP and Komeito — won a combined 325 out of 475 Lower House seats, losing only one from pre-election numbers and maintaining a two-thirds majority.

"Abe has gained the approval of voters. Therefore, I want him to really implement reforms even though the reforms may harm some people," Mimura said.

Sakakibara also said the government should speed up deregulation and energy-policy decision making.

In the end, every aspect of the internal economic environment points to bright prospects. The risk, the business leaders said, would be a slowdown of the European, Russian or Chinese economies. Additionally, further depreciation of the yen may have a negative impact on the Japanese economy as imported goods could become too expensive. Mimura pointed out some small companies are already suffering from increased import costs.

Nonetheless, overall prospects are very strong. Companies can invest more as interest rates are low and consumer spending will increase on wage increases.

"It's possible we can see 2 percent economic growth in one of this year's later quarters," Mimura said.

Davos special

Adaptation vital in changing world

Sayuri Daimon
STAFF WRITER

Kiyoshi Kurokawa, a professor at the National Graduate Institute for Policy Studies and former chairman of the National Diet of Japan Fukushima Nuclear Accident Independent Investigation Commission, says the world is currently experiencing the most dramatic shift since the Industrial Revolution in the 18th and 19th centuries.

"People need to realize that a major paradigm shift is occurring with rapidly advancing digital technologies, and common sense and principles, which have dictated us for a long time, are no longer valid," Dr. Kurokawa, former president of the Science Council of Japan, said in a recent interview.

Deepening income inequality and intensifying nationalism are among the top 10 items on the global agenda that world leaders will be preoccupied with in 2015, according to a projection based on a survey by the World Economic Forum. In tackling these global issues, Kurokawa argues that the world leaders who gather at Davos in Switzerland for WEF's annual meeting must keep in mind that this dramatic paradigm shift is taking place now.

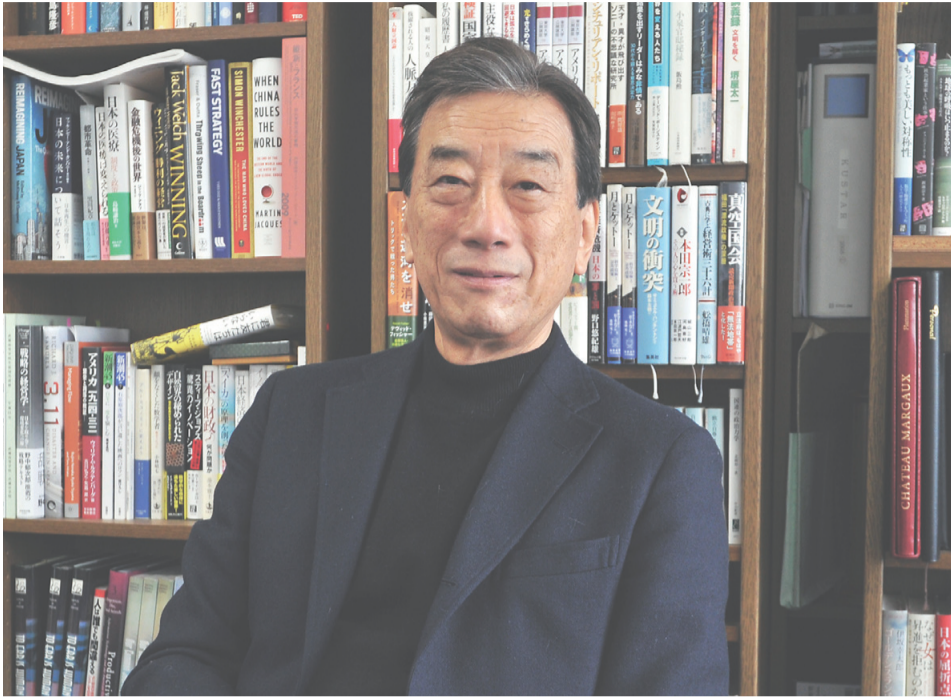
This year, the annual conference will kick off on Jan. 21 with over 2,500 participants from more than 140 countries representing business, government, international organizations, academia and the media.

"It's not easy to find solutions to various global challenges, but it's important to discuss those issues with world leaders who are aware of this major paradigm shift," said Kurokawa, who himself has participated in most of the Davos meetings this century, adding that Davos has been providing a unique opportunity for positive discussions on the world's pressing issues.

"It's different from the United Nations, for example. Politicians can talk more freely with business executives," he said, recalling the time when Shimon Peres, former Israeli foreign minister and president, joined the late Yasser Arafat, leader of the Palestinian National Authority, for a public discussion at Davos.

Kurokawa pointed out that more and more people in the world are now connected via the Internet and the consequences seem to be huge.

"Even in small rural villages in develop-



Kiyoshi Kurokawa, a professor at the National Graduate Institute for Policy Studies, talks to The Japan Times in his office in Tokyo on Dec. 30. YOSHIKI MIURA

ing countries, at least one or two may have or have access to mobile or smart phones and people can see and learn what is happening in the rest of the world," he said.

"The Internet is a contemporary 'incunabula,' enabling more people to see things, think and act," Kurokawa said, referring to the invention of printing technology by German Johannes Gutenberg in the 15th century.

The invention of printing technology is believed to have eventually led to the religious revolution, the Renaissance, the rediscovery of modern science and, eventually, the Industrial Revolution. When people have access to information, they begin to question what they have been taught in churches and schools, he added.

The modern incunabula is fueling disenfranchised people who are far-removed from the elite and triggering movements like the Arab Spring and the Islamic State, he said. "The world has increasingly become uncertain," he said.

Kurokawa also pointed out that in such a rapidly changing world, strengths could become weaknesses and one has to recognize one's own weaknesses.

In Japan's case, what were once recog-

nized as Japan's strengths such as lifetime employment, seniority-based promotions in the same organization and the Japanese mindset of not questioning decisions by authorities have more often become weaknesses over the last two decades, according to Kurokawa.

"Japanese people may like playing baseball, but the world is becoming like playing soccer, where everyone has to think of the next play while in constant motion," he said. "But baseball players don't move until the pitcher throws the ball."

"In such a rapidly changing world, Japanese people cannot move forward and adapt to the new environment," said the former chairman of the nuclear accident investigation panel, who famously branded the reactor meltdowns at the Fukushima No. 1 nuclear power plant in March 2011 as "a disaster made in Japan."

Japanese are adept at making things lighter and smaller if there are models to copy from, but they are not good at creating values in intangible things, such as systems. On the contrary, others like the British are better at creating values in invisible concepts such as science, finance and democracy, he said.

"We must know our weaknesses and be

humble in learning, collaborating and partnering with others," he said.

Kurokawa said that the recent emergence of more Japanese business representatives, including Suntory Ltd. President Takeshi Niimami and Lixil Group Corp. President and CEO Yoshiaki Fujimori, at Davos have been providing some signs of change. Still, he feels more Japanese leaders should be further engaged in such international dialogues amid surging Asian economies and the rest of the growing economies in the world.

To have more Japanese actively participating on the global stage, it's extremely important for Japanese people to spend some time abroad as individuals before they start working and assume a corporate or organizational identity, he said.

"If you live abroad at a young age, you will cultivate a healthy sense of patriotism toward your home country, because while staying abroad you will be asked a lot of questions about Japan and look at Japan from a broader framework," he said.

Kurokawa, who wears many hats, is also a member of The World Dementia Council, which was launched at the Group of Eight Summit in London in 2013.

He said dementia is a major health challenge in developed and developing economies, and digital technologies, including big data, will play a major role in coping with this challenge.

"Care of the aged (and dementia) is quite labor intensive and I think it will be robots who will care for the elderly in the



Unveiled in June, 2014, "Pepper," a humanoid robot that can communicate with people and sense emotions, made its debut as a clerk at a SoftBank Corp. mobile phone store in July. SoftBank has further developed an application, which can help prevent dementia through conversations and ask questions to perform a simple diagnosis of symptoms. KYODO

future," he said, adding, "Who else?"

"Social robots will become smarter than humans in a few decades, and as caregivers and companions they can work for 24 hours," he said.

As more private companies such as SoftBank Corp., which produces robots such as Pepper, join the robot industry,

robots will become more affordable and intelligent, he said.

"Along with the support of the private sector, which is engaged in developing robot and advanced digital technology, Japan can be very good at this, helping and reducing the burden on human caregivers," he added.

Transitioning from spectator to participant at Davos meeting

Yoko Ishikura
SPECIAL TO THE JAPAN TIMES

The annual meeting of the World Economic Forum is underway in Davos-Klosters in Switzerland from Jan. 21. The theme of this year's meeting is "The New Global Context" for decision making.

This meeting serves as a window to the world for 2015 as many speeches are given by the heads of states and plenary sessions are held where global leaders across business, government, international organizations, academia and society discuss and debate current issues in the face of profound political, economic, social and technological transformations. It is an exceptional opportunity for many leaders to gather in a secluded ski resort in Switzerland for five days and set the world's agenda for the coming year.

With webcasts now available for many of the speeches and major plenary sessions, we can follow the discussions no matter where we are. With social media updating the events in real time, we can get a glimpse of diverse views from different stakeholder groups, despite participation in the meetings being exclusive and limited.

However, if we consider the meeting only as a window to the world to understand global trends and political and economic outlook, we only get half of the benefit it offers. This is because some of the more exciting aspects of the meeting are, in my view, brainstorming sessions where participants generate and share new ideas; private meetings for industry participants on relevant topics; and bilateral meetings where policy makers and business leaders negotiate deals. In other words, the true benefit of the meeting emerges when people become participants and engage in the debates, discussions and problem-solving activities.

Rather than remaining spectators just observing the discussions, we need to make the meeting relevant to each one of us. However, from my experience of having participated in the annual meeting and other forum events, many participants from Japan have been rather reluctant to engage in discussions — except for those sessions focusing on Japan — and tend to remain spectators.

How can we make the annual meeting more relevant to us and make the most of this exceptional opportunity? It is precisely for this purpose that I started two initiatives; the Global Agenda Seminar series (GAS) and the Davos Experience in Tokyo series (DEX).

I began the GAS in 2010 to provide opportunities to:

- Expose young (including the young at heart) people to the global agenda identified and discussed at the forum by navigating through the enormous volume of knowledge assets of the forum,
- Introduce young leaders from international organizations by inviting them as guest speakers and
- Allow participants to try "forum style" interactive sessions by offering low-risk opportunities to discuss and debate relevant issues while brainstorming to develop solutions to issues in English.

For example, at the GAS 2014 in December, we gave the following situation: "Suppose we hold a follow-up session on 'Abenomics' at Davos in January 2015, and four groups will present pro-



posals to support Prime Minister Shinzo Abe's goal of encouraging entrepreneurship and of increasing startups in Japan to revitalize the economy." The four groups we selected were the education ministry, the Tokyo Metropolitan Government, MIT Media Lab, which offered support, and Women Corporate Directors, a group interested in promoting female entrepreneurs in Japan.

Participants were to assume the role of one of the four organizations and present their recommendations. By taking a specific role in a fairly realistic situation, participants experienced what it would be like to participate in an actual Davos meeting. Through this exercise, participants learned the importance of under-

"The true benefit of the meeting emerges when people become participants and engage in the debates, discussions and problem-solving activities."

YOKO ISHIKURA

standing the context of the annual meeting and the need for the unique solutions expected by the audience.

The DEX began in 2013 right after the Davos meeting. The series was started to:

- Offer casual and informal opportunities for young people to discuss global topics of interest raised at forum events,
- Provide easy participation, by holding it every month,
- Develop logical thinking, discussion skills and storytelling through repeated practice of debate, role-play and other activities in English,
- Offer networking opportunities after the sessions so participants can get to know people from different fields and
- Introduce some emerging issues.

The key concepts of the DEX are "learning by individuals doing," "practicing in small groups" and "sharing with all." I decided to focus on them as I find many Japanese do not feel comfortable discussing issues in English, though English has become a de facto global standard and it is an absolute must today. We experiment with the format often used at the forum and other places, such as brainstorming in breakout groups and reporting back, debating, role-playing and simulating in small groups, allowing participants opportunities to try what is used elsewhere. Participants find it easy to engage and are encouraged to take

part in a low-risk environment.

Topics we discussed over the past two years include "Innovation and Employment," "Leadership in the 21st Century," "The Role of Business," "Technology and Education," "Solving Aging through Technology," "Work-Life balance," "Abenomics and the Perception of the Country," "Big Data," "Bitcoins" and others based on themes discussed at forum events.

We have also recently begun collaborating with some companies. For example, Google helped us discuss big data and Benesse worked with us when we discussed new business models for elderly care using technology. By holding the sessions at the companies we tried to address issues of interest to the sponsoring companies to develop creative and innovative solutions.

At our session in December, we asked participants to pick the most important issue for 2015, from the list of items in the Outlook on the Global Agenda 2015, including Top 10 trends and Future agendas. In a way, we made them respondents to a survey on the outlook. The issue they selected for 2015 was the "Future of Work." In addition to selecting the issue, we asked them to brainstorm on how to address it. One of the group's main ideas was to set up a virtual company for large corporations that have had difficulty innovating, as well as for companies that had suffered recent scandals. The key concept of designing the virtual company was to personalize the "work" to meet individual needs, because it is what participants wanted for their future work. Other ideas included creating applications so that IT is used more for farming on a global scale.

The general consensus of the groups were that traditional systems and processes of employment and jobs such as lifetime employment and full-time jobs are disappearing quickly; individual and personalized career plans are emerging; and inventorying one's skills, self-branding and constant learning are critical.

As I serve as a member of the Global Agenda Council on the Future of Jobs and we are conducting surveys of multinational companies and organizations to identify the present status of jobs, drivers for change and adaptive strategies, this is right on target as one of the hottest issues in the world.

What is encouraging for me is there seems to be synergy between the two series. The base of those interested in participating is expanding as we have some 500 participants of the DEX cumulatively and about 200 alumni from the GAS.

People have a choice; they can view the annual meeting as a window to the world and remain spectators. Or they can be players, expressing views, sharing and collaborating with others and working to create a better world. New games to shape the world are open to all of us, regardless of age, gender, nationality or background. Are people ready to play?

Yoko Ishikura is a professor emerita at Hitotsubashi University. After working for McKinsey and Co. Japan and teaching at universities in Japan, she is currently an independent consultant in the area of global strategy and global talent, serving as non-executive director for Nissin Foods Holdings Co., Lifenet Insurance Co. and Sojitz Corp.

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GLOBIS Night! at Davos

in collaboration with Japan Night

Date: Thursday, 22nd January, 2015

Time: 9:00 p.m. to 11:00 p.m.

Venue: Central Sporthotel, Davos, Switzerland

Our cocktail reception will be held immediately following "Japan Night" at the same place.

Davos special

New concerns appear on Global Agenda 2015

Based on a survey of almost 1,800 experts from the World Economic Forum's Network of Global Agenda Councils, as well as other communities within the forum, on what they believe will preoccupy leaders over the coming 12 to 18 months, the Outlook on the Global Agenda 2015 was published in November.

The Top 10 trends for 2015 are:

1. Deepening income inequality
2. Persistent jobless growth
3. Lack of leadership
4. Rising geostrategic competition
5. Weakening of representative democracy
6. Rising pollution in the developing world
7. Increasing occurrence of severe weather events
8. Intensifying nationalism
9. Increasing water stress
10. Growing importance of health in the economy

Inequality and unemployment at the top of the list shows they are viewed even more severely than previous years, with stagnating wages contributing to a vicious cycle of entrenched inequality through weak growth and employment prospects.

Besides economic challenges, two trends that have not appeared in the outlook since its launch in 2010 are the rise of geostrategic competition (fourth) and intensifying nationalism (eighth). This suggests both increasing fragmentation of international politics and a backlash against globalization. The growing severity of these economic and political trends perhaps explains the rising prominence of lack of leadership, which has climbed from seventh last year to third for 2015.

Leaders are also facing environmental worries, such as rising pollution in developing nations, increased severe weather and water stress as severe concerns.

Rounding out the Top 10 trends is the increasing importance of health in the economy, which is indicative of the link between a healthy population and a healthy economy. It also highlights the difficulties many health systems face adapting to demographic change, rises in non-communicable diseases and other concerns. However, it also represents an opportunity for leaders, with technology opening up possibilities for better, more cost effective health care, which could in turn lead to sustainable economic growth and greater prosperity.

This text is an edited excerpt of an article from the official website of the World Economic Forum. For more information, see www.weforum.org

Forging better Japan through 'quiet revolution'

Atsushi Kodera
STAFF WRITER

Entrepreneur Yoshito Hori has a strong sense of mission to guide Japan to become a better place as it undergoes what he calls a "quiet revolution," and he thinks his role is outside of politics.

Hori, the president of Globis University and managing partner of Globis Capital Partners, sees limits to what politicians can do, especially when it comes to having the public swallow bitter pills. He specifically points to the divisive issue of social welfare reform, which faces resistance from those facing cuts in benefits even though it's an urgent issue facing Japan's rapidly aging population.

"We need social welfare reform, but no politicians address it in elections. When the situation comes to this, it's time for us in the private sector to raise our voices and convince the public at large."

Hori, who will join the upcoming annual meeting of the World Economic Forum in Davos, Switzerland, from Jan. 21, has been a regular participant since 2002.

Exchanging views, debating issues facing the world and holding discussions with leaders in politics, academia and business from around the world, Hori has sharpened his sense of mission to lead the world in becoming a better place.

That sense of mission led him to start the G1 Summit, which he positions as a Japanese version of the Davos meeting. Started in 2009, the annual event has provided a forum where leaders from politi-



Yoshito Hori, the founder of GLOBIS
GLOBIS

cians and businesspeople to actors and athletes discuss a multitude of issues faced by the nation.

The forum is aimed at bringing together participants to come face-to-face with issues that politicians may find difficult to address, discuss them, and start a wave of change to break through the barriers of social taboos and vested interests.

"That will ultimately make it easier for politicians to voice their opinions, which in turn would lead to actual legislation," he said. "That's the idea."

Hori hopes such a process will become a driving force behind what he calls a "quiet revolution," a significant change taking place in Japan that's re-

shaping the way opinions and policies are formed outside the conventional framework of democracy.

"And this revolution has made Japan more globalized, entrepreneurial, innovative and assertive, and Japan now doesn't compromise on what it thinks is right," he said.

Having examined past examples from the French and Russian revolutions to Japan's Meiji Restoration, Hori theorizes that past revolutions were essentially driven by three factors: convergence of visionary leaders; ideas or principles that guide revolutionary minds; and weapons to fight the establishment.

"The first two factors are possible in today's Japan, but the third needs to be replaced with communication," Hori said. "Using the power of communication, you can shape public opinions, and then bring about a revolution through elections" to choose the right politicians who are backed by the opinions thus shaped.

He added that people outside the political arena can reach out to the broader public through the Internet. They can post their messages on social networking services, or in videos on YouTube, powerful tools that can touch off a wave of change.

"That's the quiet revolution," he said. Hori's particular interest in participating this year's Davos meeting is what the more than 2,500 key figures from over 140 countries may say about the growing presence of artificial intelligence (AI), which physicist Stephen Hawking and U.S. entrepreneur Elon Musk have warned as

threatening the existence of mankind. "Eventually, we may see artificial intelligence take over management and steer businesses... it may even make political decisions," Hori said. "It may sound like a sci-fi novel, but who knows, AI may evolve into a presence that controls many networks and gains the ability to break through any cybersecurity measures."

"It's a scenario that's growing in reality," he added. Asked what he would suggest the forum can do to take further advantage of the precious opportunity it offers for opinion leaders of the world to interact and exchange views with each other, Hori said he wishes to see it lead to concrete actions.

"You can bring up issues, present your observation or comments (in the forum) and that's great. But we could try further and come up with solutions, clearly present them and put them into action, especially on issues like unemployment of young people and inequality," Hori said.

He also pointed out growing diversity in the global community, in religion and gender to ethnicity and nationality, may be making it difficult for discussions to focus on specific areas.

And in today's diversified world, discussions "tend only to go in politically correct directions," he said. "Maybe in the future, I have a feeling, there may come a point when we need to have the courage to speak out for what we believe is right, even if it's politically touchy or unpopular with many people, if we really want to solve problems."

Switzerland and Japan celebrate 150th anniversary of their diplomatic relations

Switzerland, which is home to Davos, is celebrating the 150th anniversary of diplomatic relations with Japan. The Japan Times had an opportunity to interview Swiss Ambassador to Japan Urs Bucher on the bilateral relationship. He has been the ambassador in Tokyo since October 2010.

What's the idea behind celebrating this special anniversary?

Switzerland's image in Japan is very positive, but also often based on stereotypes such as beautiful landscapes, fine watches and delicious cheese. During this anniversary year, we have the ambition to contribute in completing the image of Switzerland in Japan with additional elements, including that Switzerland is a highly competitive and innovative country that is deeply committed to international cooperation. We also hope that the knowledge of Japan in Switzerland will be enhanced.

How did you plan the commemorative events for the 150 years of diplomatic relations between Switzerland and Japan?

We started in 2011 when we discussed the general concept with potential supporters and the Japanese authorities. A key moment was in 2012, when the Japanese government decided to fully support this anniversary as an official event. Together with our Japanese partners, we launched a logo competition to which we got great contributions; we received more than 200 applications from both countries.

How have you celebrated the commemorative year? What are your impressions of the events so far? Can you pick some highlights?

The overall impression is extremely positive. I am particularly delighted by the high level of attention that our anniversary projects get from the media and the public. There were more than 20,000



Ambassador of Switzerland to Japan
Urs Bucher

visitors at the "Swissdays" in Roppongi Hills for the launch of the anniversary year. We also filled the biggest concert halls in several locations. At the same time, small events across the country have contributed to deepen longstanding friendships. On the political front, the highlight is the fact that His Imperial Highness Crown Prince Naruhito and the President of the Swiss Confederation Didier Burkhalter are joint patrons of the jubilee year celebrations and that they visited each other. These events left unforgettable memories.

Looking back 150 years, what was the motivation for Switzerland, a distant landlocked country, to establish diplomatic relations with Japan, which was just emerging from its long period of isolation?

It was due to a clear economic interest from Switzerland, particularly from the watchmakers. There was a strong de-

mand for highly sophisticated products in Japan.

Have the bilateral relations since the treaty of friendship and trade in 1864 been beneficial for Switzerland? How do you see the relations between the two countries?

The treaty has been highly beneficial and it serves as a basis for continually growing trade and deepening our friendship. A particularly dynamic period in our relations took place after the Second World War, when Japan became one of our most important economic partners. In addition, we have a high degree of like-mindedness in global issues and cooperate intensively through international organizations. Switzerland is the only country in Europe to enjoy a free trade agreement with Japan.

What are the major challenges within the bilateral relations?

We are in a fortunate position that no clouds are casting any shadows on our bilateral relations. Therefore, our task is to further promote our economic, cultural, scientific and political cooperation as there is an important potential for development. In the few cases where we have different standpoints, for example regarding the death penalty, our good relations allow us to have an open and frank dialogue.

Do you think the series of commemorative events organized this year could be of help in addressing the above-mentioned challenges?

Of course they can. Both countries never had such attention by the public and the media and our political contacts were also used to address critical issues.

What will be the major agenda within the bilateral relations from now?

We would like to further develop the existing network of treaties by moderniz-



Swiss Confederation President Didier Burkhalter (center) and his wife, Friedrun Sabine (fourth from left), Swiss Ambassador Urs Bucher (fourth from right), his wife Anja (third from right) and friendship ambassadors of the anniversary, (from left) conductor Kazuki Yamada; Isamu Tatsuno, CEO of Montbell Co.; TV personality Haruka Christine; and (from right) Takaji Kunimatsu, former Japanese ambassador to Switzerland; and Chef Kiyomi Mikuni greet participants at the Swissdays opening ceremony in Roppongi Hills on Feb. 6. YOSHIAKI MIURA

ing them and further improve our exchanges. We also hope to encourage better knowledge of the possibilities offered by the existing agreements and maintain contacts at the highest level. I would be most happy if Prime Minister Shinzo Abe could visit Switzerland in the future. Also, we should further develop our cooperation between universities.

What do you see for the next 150 years of bilateral relations?

We not only have good relations, but also share common challenges such as demographic change. We can serve as models for each other in many regards and should seize many opportunities to cooperate.

Please allow me to give a personal comment regarding my experience in Japan. It's a privilege to live in a country where people are incredibly respectful to each other. I hope that many Swiss people will visit and learn about Japan and bring back and share their experience with their fellow countrymen.



The exhibition "War from the Victims' Perspective" by Swiss photographer Jean Mohr, a former delegate of the International Committee of the Red Cross, is held in Hiroshima Peace Memorial Park from Nov. 26 to Dec. 27, 2014, to mark the 150th anniversary of Swiss-Japan diplomatic relations as well as 150 years since the signing of the Geneva conventions. EMBASSY OF SWITZERLAND

Japanese architects making mark on Swiss design landscape

Chiho Iuchi
STAFF WRITER

As part of the events commemorating 150 years of diplomatic relations between Switzerland and Japan, an exhibition titled "JP-CH 2014: Building in Context" was held in Tokyo last October featuring five recent projects in Switzerland by four eminent Japanese architects.

"Architecture has the potential to be a facilitator for new cultural activities and exchanges between our countries, an incubator for business activities and a mediator for social connections," said Jan Geipel, a professor at the Geneva University of Art and Design and the exhibition curator.

Among the highlights was the Rolex Learning Center designed by SANAA, an award-winning architecture firm founded by Japanese Kazuyo Sejima and Ryue Nishizawa. The center is a multifunctional facility that includes a library, a multipurpose hall, offices, cafe and a restaurant on the campus of the Swiss Federal Institute of Technology in Lausanne (EPFL).

"Our mission was to create 'a space that enables students to learn and discover something new' and 'a university open to the community,'" Sejima said in explaining their concept of making it a single, large room measuring 166.5 m x 121.5 m with several patios. By raising

parts of the building, open spaces, curves and slopes are created, allowing people to access the entrance in the center of the building from all directions and explore the gently rolling space inside.

Nishizawa added: "This is a building like a park. In a park, you can choose your own path and discover new landscapes. Unlike conventional classrooms, in which you just sit and receive standard lessons, you can encounter diverse people, enhancing interaction."

The groundbreaking one-story wavy building has become a landmark in Lausanne since it opened in 2010, providing the EPFL with a huge cradle for new ideas, further contributing to innovation, which is one of the country's strengths.

Next to the Rolex Learning Center, a new cultural facility named Under One Roof designed by Kengo Kuma is under construction, and it is expected to further contribute to the social and cultural aspects of the EPFL.

In the business arena, Shigeru Ban designed the Tamedia New Office Building, which features timber as its main structural material. The building opened in 2013 and Ban will also construct the New Headquarters for Swatch and the New Production Building for Omega in Zurich.

Another big project featured at the exhibition was the Circle at Zurich Airport designed by Riken Yamamoto, who for

many years has questioned the relationship between public and private spaces in his works. The 270,000 sq. meter building's seven modules create a huge public facility, but Yamamoto said he does not want to build something "like a supermarket."

"I want to make a space that evokes the old towns in Switzerland with 'gasse' and 'platz' (streets and plazas), which have survived for more than 400 years," Yamamoto said.

This architecture will be made of extremely slender columns, symbolizing the "Swissness" of the project.

"I believe that Swissness is precision. It is not only about watches and machines, but also about the social structure from finance, insurance and medical systems to direct democracy; things constructed of component parts with detailed designs," Yamamoto said. "I want to create such architecture for this project," he said.

Each of these projects has the power to open up new perspectives beyond the buildings while mirroring Swiss local landscapes, which may suggest the possibilities of creative relations between Japan and Switzerland.

The architecture exhibition is scheduled to continue through 2015 at locations around Switzerland.



The exhibition "JP-CH 2014: Building in Context" is held in Tokyo in October 2014. © MATTHIAS FREY

Exhibition examines Swiss design

- Venue: Tokyo Opera City Art Gallery
- Date: Through March 29

As one of the events that cap the yearlong commemoration of 150 years of Japan-Switzerland relations, this exhibition titled "Swiss Design" traces the country's design from the 19th century to today, showcasing Swiss contributions to products, graphics, architecture and interior design. The distinct sophistication and quality of Swiss design set the country apart as markedly as its stance of neutrality. The Swiss value practicality, functionality and craftsmanship combined with tradition and superior engineering; all clearly reflected in Swiss products.

For more information, see www.operacity.jp/ag/

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Davos special

Carrying on 'washi' paper tradition

"Washi," or traditional Japanese hand-made paper, was officially added to UNESCO's Intangible Cultural Heritage list last November. It is a remarkable accomplishment that the nation's traditional culture has achieved such recognition for the second year in a row, following the inclusion of "washoku" traditional Japanese cuisine in December 2013. Making the list will help Japan raise the world's awareness of the country.

There are three main locations where Japanese traditional papermaking techniques have been passed down: Misumi-cho in Hamada, Shimane Prefecture, where "sekishu-banshi" is made; Mino, Gifu Prefecture, where "hon-minoshi" is made; and the town of Ogawa along with the village of Higashi-Chichibu in Saitama Prefecture, where "hosokawa-shi" is made. These papers are designated as Important Intangible Cultural Properties in the national inventory maintained by the Agency for Cultural Affairs.

UNESCO notes that "most of the inhabitants of the three communities play roles in keeping this craftsmanship viable, ranging from the cultivation of mulberry, training in the techniques and the creation of new products to promote washi domestically and abroad."

Therefore, not only have the techniques and products been recognized, but the efforts of the communities to keep the traditional art alive greatly contributed to being chosen for the list.

According to the website of the Sekishu Washi Center (an association of "sekishu washi," traditional crafts including sekishu-banshi), "Tesuki washi was invented in A.D. 105 by a Chinese official



(Clockwise from left) A papermaker in Shimane Pref. makes "sekishu-banshi" paper; "hosokawa-shi" stationery from Saitama Pref.; a Gifu Pref. "hon-minoshi" screen SEKISHUWASHI KAIKAN, SAITAMACRAFT, MINO CITY

named Cai Lun, and introduced to Japan in A.D. 610 by Doncho, a Buddhist monk from Korea. Sekishu washi, the washi paper of western Shimane Prefecture, also has a history stretching back a thousand years."

The paper is made from the fibers of the paper mulberry tree. The fibers are soaked in clear river water, thickened and then filtered on a bamboo screen. Washi paper is used not only for stationery and books, but also in home interiors to make paper screens, room dividers

and sliding doors. Soft light through a washi paper screen or lantern creates a relaxing atmosphere, therefore even some international hotels around Tokyo use it in room interiors to help refresh travelers. Also, as the material is soft yet strong, washi is valued in Europe for use in restoring old paintings.

Families and their employees work under master papermakers who have inherited the techniques from previous generations. The communities play roles in keeping this craft viable, ranging from

the cultivation of paper mulberry trees, training in the techniques and the creation of new washi products.

On the occasion of the registration of washi, Hakubun Shimomura, minister of education, culture, sports, science and technology, said, "The ministry and the Japanese government will continue to fully support the communities in their efforts to pass along the craftsmanship to future generations to have it carry on contributing to the vibrancy of the communities."

Sake: Best drink for 'washoku'

Makiko Itoh
SPECIAL TO THE JAPAN TIMES

What are good alcoholic beverages to enjoy with "washoku," traditional Japanese cuisine? While beer, shochu and even whisky and wine are popular choices, the best match by far is sake, the national beverage of Japan. After all, washoku has been developed over many centuries as a cuisine to go well with sake, and sake in turn has evolved to partner well with the dishes that are enjoyed by the Japanese people, especially washoku.

Washoku is a subtle yet demanding cuisine. It does not rely heavily on the strong flavors imparted by spices or herbs, but on the freshness and seasonality of the base ingredients. The seasonings added are used to accentuate the five basic flavors — saltiness (found in soy sauce and miso); sweetness (sugar and other sweeteners plus "mirin," an alcoholic beverage closely related to sake); sourness (vinegar, citrus and "umeboshi," or preserved ume plums); bitterness (coffee and some spices) and umami. Umami, which is often described as a savory taste and is abundant in fish, meat and many vegetables, is the main component of many Japanese seasoning ingredients such as soy sauce, miso and mirin. It's also the main flavor component of sake, along with sweetness and other flavors. Drinking sake with a washoku meal brings out the umami in each dish in a subtle yet very effective way.

Sake has another much-appreciated effect, especially when it's enjoyed with fish, meat and poultry. Japanese people (along with many other East Asians) have historically had a strong aversion to "kusami" or the gaminess of animal products, so meat and fish are always cooked in a way to lessen the kusami. In washoku, the main ingredient that accomplishes this is sake, which is used widely in cooking in addition to being a beverage. When Japanese started to eat meat again in the late 19th century after centuries of imposed abstinence, sake was used widely to combat what was perceived as the unpleasantly strong gaminess of beef and pork. A good example of this is sukiyaki, where thinly sliced beef is simmered in a combination of soy sauce, sugar and sake. The alcohol in sake, as well as the umami and sweetness, help to combat gamy flavors. Although sour ingredients such as vinegar and citrus as well as strongly flavored ingredients like onion and ginger are also very effective in lessening gaminess, they also add their own assertive flavors to a dish. Sake is more subtle; in small quantities, it does not affect the flavor much but still serves to lessen the gaminess and enhance the umami of fish and meat.

Drinking sake with fish or meat dishes helps further dissipate any gaminess. If the fish is served raw, as it is in sashimi and sushi, sake is the ideal accompaniment, even though fish that's fresh enough to serve uncooked has very little



Sake, the national drink of Japan, can be enjoyed with many cuisines besides washoku. The flavor and character of sake changes depending on whether it's served chilled or warm, but the temperature is a matter of preference. Ask the staff at a restaurant, bar or liquor store for food and sake pairing recommendations. MAKIKO ITOH

gaminess. Sake is also a good choice when the flavors of a dish are strong in one way or another. Unlike many wines, sake doesn't clash with sour or spicy flavors. For example, a dish of vinegar-flavored vegetables or seafood called "sunomono" is often part of a washoku meal. The vinegar and citrus flavors in sunomono can conflict with a fruity wine, but sake simply serves as a fairly neutral, yet still flavorful, backdrop to the assertive flavors. The fragrance and flavor of herbs such as "shiso" (perilla), "mitsuba" (Japanese parsley) and myoga ginger that are used frequently in washoku also go well with sake.

Lastly, you may be wondering whether sake is best served chilled (reishu) or warm (atsukan). This is a matter of preference, but I prefer to have chilled sake when the food is the main event, such as a multicourse kaiseki meal. Chilled sake is more subtle and muted than hot sake, so it acts as a supporting player to the flavors of each dish. You also tend to get tipsy a bit faster when drinking hot sake, which may dull your taste buds a little. But there's no denying that few things are as enjoyable as sipping hot sake while enjoying a bite of different "tsumami" (snacks that go well with drinks) on a cold winter's day.

Spreading culture through cuisine



Authentic Japanese "oden" will be provided by Bimi at Japan Night 2015. COURTESY OF JAPAN RESTAURANT BIMI

Mayumi Koyama
STAFF WRITER

"One of the easiest and most effective ways to understand a culture is through its food," said Yoshiko Nishihama, owner of Zurich's Nishi Shop, a store specializing in Japanese imports and an affiliated company of Japan Restaurant Bimi in Zurich. "That's why, as representatives of Japan, we take our responsibilities seriously. At the same time, we are really excited and honored for the opportunity to cater Japan Night 2015," said Nishihama in an interview with The Japan Times at the Palace Hotel Tokyo on Dec. 29.

On Jan. 22, from 7 p.m. to 9 p.m., Japan Night will be held at the Central Sporthotel Davos, hosted by the government of Japan and Japan Night Organization Committee, on the occasion of the annual World Economic Forum in Davos, Switzerland. At the event, over 500 participants, including world leaders from various countries as well as company executives supporting the "new Japan," will interact with each other through Japan's culture.

The main feature and the most popular attraction of the evening will be the Japanese food. The caterer is Bimi, which has served authentic Japanese cuisine, including Japanese staples such as ramen and curry, since 2004. As the oldest Japanese restaurant versed in Japanese cuisine in the city, Bimi has catered WEF's Japan Nights and Japan Lunches since 2009.

Nishihama and the restaurant staff have gone all-out in their efforts to welcome participants with maximum hospitality.

"Needless to say warm food will be served warm and delicious food can be expected by everyone who visits the event at any time," Nishihama said. "All our staff is capable of explaining each dish to guests."

To allow people to enjoy various Japanese dishes, restaurant staff work nonstop over two days preparing dishes, including new items. "For sure it's a really big deal and responsibility for

us, but it's also a great experience for our young chefs and we enjoy the opportunity to introduce Japanese cuisine to the world," Nishihama said.

Although limited access to proper ingredients makes it difficult to run an ethnic eatery overseas, Bimi takes advantage of their trading company affiliate, offering authentic Japanese dishes — not tailored for foreign palates — made with as many freshly imported products from Japan as possible. "As our restaurant has Japan in its name, we always have to be conscious about how our dishes represent Japan," Nishihama said.

Although Japanese cuisine has seen increased visibility and popularity since "washoku" traditional Japanese cuisine was added to UNESCO's Intangible Cultural Heritage list in 2013, Nishihama is not satisfied with the status quo.

"Compared to about 35 years ago we started business in Switzerland, people's understanding of Japanese food has grown greatly. But I feel it's still prevalent that when Japanese food is mentioned, sushi is what immediately comes to mind," Nishihama said. "I want people to know there are many more dishes and flavors in Japan."

In terms of umami, the savory taste of Japanese dashi soup stock most readily comes to mind. Even though the term has now become known to many people around the world, Nishihama pointed out that dashi soup stock made with chemical seasonings is also recognized as umami, and people can grow accustomed to its strong flavor.

"Of course, we can enjoy products of modern technology, which is neither bad or wrong, but I want people to know the pure, delicate taste of traditional dashi made with "konbu" seaweed and bonito flakes that we offer," Nishihama explained.

"On Japan Night, we will offer a variety of Japanese dishes, including 'oden' (vegetables, fish dumplings and other food simmered slowly in dashi soup). Oden is a perfect way to enjoy authentic Japanese cuisine while keeping warm on a chilly Swiss night."

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