

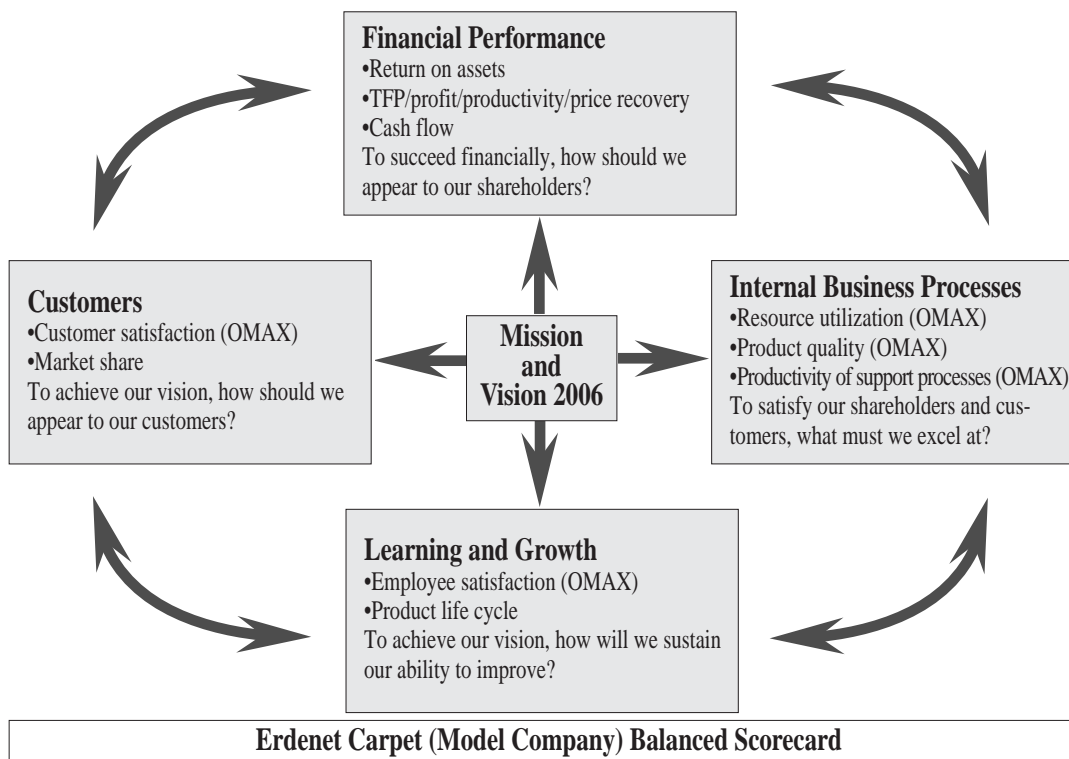


## Strategy-Linked Performance Measurement in Mongolia

### A Model Company Initiative

John Parsons & Nurmaa Shagdarsuren

In its second decade of promoting productivity, Mongolia's National Productivity & Development Center (NPDC) is now focusing on developing demonstration (model) companies that highlight the successful application of performance-enhancing approaches. The objective was to promote wider acceptance of productivity and performance measurement by demonstrating to the nation the benefits of using measurement to improve strategic decision-making and hence long-term performance. In support of this, a small group comprising representatives from the APO and NPDC was commissioned to create a model company for measurement in Mongolia. The company selected for the project was Erdenet Carpet Company. The goal was to build a strategy-linked performance measurement system that would monitor progress toward the organization's vision and be an integral part of productivity improvement programs.



The project had four phases. The first was to set the criteria for selecting the model company and make a selection. Criteria included the quality of management, resources available within the organization, suitability of data, and corporate image. Phase 2 covered basic preparation of the model company: coaching, training, and agreeing on objectives. Phase 3 embraced the actual design and implementation of the measurement system, and Phase 4 allowed for reviewing and fine-tuning after an appropriate test period.

(Continued on page 6)

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“Good ideas are not adopted automatically. They must be driven into practice with courageous patience.”

Admiral Hyman Rickover

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## The Euro and Productivity

Since March 2002, the euro has become the exclusive common currency of more than 300 million citizens of a dozen countries of the European Union (EU), i.e., except Denmark, the UK, and Sweden. Soon, another 100 million people will be affected when central and eastern European countries convert their national currencies to the euro on joining the EU. The euro's arrival is clearly a major event, both for European integration and international economics. But what could be its impact on productivity? There are at least four dimensions to consider.

### Good Government

The first and by far the most important dimension concerns improved national housekeeping. A mutually agreed "Stability and Growth Pact" sets out the conditions that all EU governments must meet as members of the "euro bloc" including the fines to be levied on euro-currency countries that do not meet them! This pact requires governments to reduce their debts, keep inflation low, and ensure a better business environment. Meeting these conditions should enable enterprise to flourish and productivity to boom.

Through this pact and the fact that governments no longer have control over monetary policy (which is the role of the new European Central Bank), countries that have had a long history of poor economic management, like Italy, Spain, Portugal, and Greece have already been forced to impose strict rules. In particular, they are having to reduce subsidies and hand-outs to nonproductive groups, albeit not without strife.

Paradoxically, it was Germany, the locomotive of the EU's economy and the driving force behind the pact, that received the first warning to tighten up on public profligacy. Many are of the opinion that the burden of its particular version of the welfare state seriously hampers its entrepreneurship. Under peer pressure, Germany has promised to sort itself out by 2004.

### Greater Transparency Leads to Greater Competition?

Europeans talk a lot about "transparency," the ability to see and understand realities more clearly. Now that continental European countries' production inputs and outputs are priced in the same currency, it should be much easier for managers as well as consumers to compare costs and values and purchase where they get the best value for money. However, at least so far, there is little tendency for prices to become more harmonized. This is because taxes and transportation costs are different, for example, as well as products (detergents, foodstuffs, etc.). Products sold under the same brand name can differ very much in content from one country to another to meet different requirements. For example, stains in the south of Europe differ from those in the north because the French and Finns eat different types of food. Household detergents must reflect that difference. But in the longer run, more companies will follow the BMW example of selling the same product at the same price across Europe.

Nor is labor cost the determinant for corporate location. More important is labor productivity. Thus, "unit labor costs" are all important for national and corporate competitiveness. So, too, is the quality of tangible and intangible national infrastructure, such as transportation and communications systems and the educational quality of a nation's workforce. In all these respects, high labor-cost countries outperform their cheaper rivals considerably.

### Wages?

The advent of the euro is having some, albeit contrasting, impact on wages. Take, for example, the metal workers. On the one hand, they are trying to strengthen coordinated wage bargaining in Europe as they have seen employees' share of national income decline significantly in the last

two decades. But their leeway is limited because productivity performance differs widely across the countries.

Productivity is again playing a greater role in wage determination, although not because of the advent of the euro. Nor should it be forgotten that labor productivity is the outcome of the workforce working not just harder but also smarter through continuously improving technologies. For Germany to survive its lower value-added, industries need to deviate from current wage norms and move toward more decentralized collective bargaining, individualized employment contracts, and profit- and productivity-sharing schemes. That this is being hampered by German trade union attitudes and behavior is the subject of European Commission and OECD criticism. The current German government is loath to advocate significant action for fear of fracturing half a century of labor-management partnership that has underpinned Germany's past productivity and quality performance.

### Time and Space

Productivity is not just about labor and capital, but also about time and space. The advent of the euro should make time more productive as transaction payments, say, from a Belgian to an Italian bank account should not just be cheaper but also faster. This in turn will contribute to the development of cross-border business cooperation, embracing both private companies and public bodies.

In terms of space and greater mobility, introducing the euro does little to reduce hindrances to free movements across borders. While the people no longer need to change francs into marks, geographical, bureaucratic, legal, and behavioral hindrances limit freedom of movement.

..... by A.C.Hubert



## Strengthening Competition Policies

The new currency is almost completely stable for the participating nations. This provides businesses with continuity when making investment decisions. But should there not now be more harmonization of fiscal, competitive, and welfare policies among the EU member states? All are agreed that the economic playing field should be leveled (excepting, of course, where their vital interests are concerned). Each state's interests are different and national subsidies still play a significant role in some industries, notably transportation and agriculture. But if fiscal harmonization is excluded (income tax regimes vary considerably), competition policy increasingly focuses on stimulating productivity and reducing tendencies toward monopoly. In this area, the European Commission plays a significant role world wide, as has been shown by its refusal to accept high-profile intended mergers in 2001.

As the guardian angel of European economic growth, the European Commission will have to push hard for open competition in all spheres of working life. To sharpen this "spur to innovation," to reiterate the core of the European Association's Memorandum on Productivity, smooth productivity development is needed at both the enterprise and national levels, which can only be achieved through continuing partnerships between managers and workforces. 🌀

**Mr. Anthony C. Hubert is the Secretary-General of the European Association of National Productivity Centers (EANPC) located in Brussels, Belgium. He is a regular contributor to this column.**

## From the SECRETARY-GENERAL'S Schedule

April/May 2002

22 April

APO Secretary-General Takashi Tajima attended the opening session of the seminar on "Rural Life Improvement for Community Development" held in the APO Secretariat in Tokyo, and gave the welcome address. Seventeen participants from 11 APO member countries took part in the five-day program.



Mr. Tajima (center of head table) at the opening session of the seminar. On his left is Dr. Kenji Ishihara, Managing Director, Association for International Cooperation of Agriculture and Forestry. Mr. Kunio Tsubota, APO Director for Agriculture, is on his right.

24 April

Delivered the opening remarks at the symposium on "Rural Life Improvement in Japan and Rural Development in Developing Countries" held in Tokyo. The symposium, organized in conjunction with above-mentioned seminar, was supported by the Japan International Cooperation Agency (JICA) and attended by more than 180 people, including the seminar participants. JICA Senior Vice President Hisao Azuma also spoke at the opening session. (Please see back page for a fuller report on the seminar and the symposium.)

10-12 May

Attended the 35th Annual Meeting of the Board of Governors of the Asian Development Bank in Shanghai, People's Republic of China.

## APO Governing Body to Meet in Malaysia

Malaysia will play host to the 44th Session of the APO Governing Body when it convenes in Kuala Lumpur on 18-20 June 2002.

The Governing Body is the supreme organ of the APO. It comprises one Director from each member country designated by their respective governments. The Governing Body meets once a year to receive the Secretary-General's annual report and the auditor's financial report; decide on APO policies, strategies, and membership; approve the rolling two-year plan; lay down guidelines for the ensuing calendar year's program; and approve the budget and the financial guidelines. Each year, it elects from among its members a Chairman and two Vice Chairmen. Together with the Secretary-General, they will decide on pressing matters when the Governing Body is not in session.

Apart from the APO Directors and their advisers, the meeting will be attended by observers from agencies and governments with which the APO has close collaborative relationships and by APO Secretariat staff members. Altogether, about 60 delegates are expected at the meeting.



### SUCCESSFUL COMMUNITY DEVELOPMENT

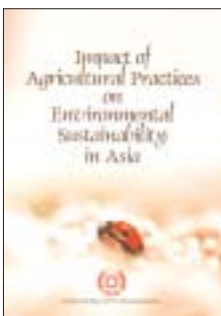
APO 366 pp. March 2002

This publication is a collection of exemplary rural community development stories from 15 member countries of the APO. The APO undertook a regional survey in 1999 to consolidate and document the findings and lessons of past APO Integrated Community Development Projects.

The selected projects were analyzed by national experts deputed by the APO to determine the principles, concepts, approaches, and strategies that led to their success. The projects covered a wide spectrum of subject areas: micro credit in India, a women’s self-help group in Japan, and a vision village in Malaysia, among others.

Despite their variety, several common factors contributing to their success could be discerned. Among them were the active involvement and initiatives of the local people, the facilitating role of the government and/or non-governmental organizations, and the special consideration accorded to the weaker sectors of society. The survey was followed by a symposium in Japan in April 2000 to discuss the survey results and to find ways to enhance the effectiveness of the Integrated Community Development Program of the APO.

This publication consists of the survey report, the three symposium resource papers, and papers describing the 15 successful community development projects that now serve as models for others. It is a useful resource for all those engaged in local community development.



### IMPACT OF AGRICULTURAL PRACTICES ON ENVIRONMENTAL SUSTAINABILITY IN ASIA

APO 388 pp. March 2002

Agriculture plays a pivotal role in ensuring food security and the prosperity of rural life in the Asia-Pacific region. In many Asian countries, however, inappropriate agricultural practices are causing the agricultural resource base and the environment to deteriorate

rapidly. Examples are intensive farming due to a rapid decline in the amount of arable land, large-scale deforestation to expand arable farming areas, mismanagement of the water supply, ecologically fragile uplands and marginal lands in the plains, and the improper use of chemical fertilizers and pesticides.

This situation calls for immediate remedial actions to be undertaken by all stakeholders. To address this issue, the APO organized the seminar on “Impact of Agricultural Practices on Environmental Sustainability” in Japan in September 2000 to discuss possible measures to minimize the adverse impacts of agricultural practices on the environment and the agricultural resource base.

This publication is a report on the proceedings of the seminar. It also includes the four resource papers and 14 country papers presented at the meeting. The volume represents a useful reference text for anyone interested in sustainable agriculture.

For order and inquiry on APO publications and videos, please contact the Information and Public Relations Department, Asian Productivity Organization, Hirakawa-cho Dai-ichi Seimei Bldg. 2F, 1-2-10 Hirakawa-cho, Chiyoda-ku, Tokyo 102-0093, Japan. Phone number: (81-3) 5226-3927, Fax: (81-3) 5226-3957, E-mail: [ipr@apo-tokyo.org](mailto:ipr@apo-tokyo.org)

## COMMON SENSE TALK



“One machine can do the work of fifty ordinary men. No machine can do the work of one extraordinary man.”

*Elber Hubbard*

“Goals are dreams with deadlines.”

*Diana Scharf Hunt*

“Failing organizations are usually over-managed and under-led.”

*Warren G. Bennis*

“The rewards in business go to the man who does something with an idea.”

*William Benton*

“Boldness in business is the first, second, and third thing.”

*Thomas Fuller, M.D.*

“The idea is to try to give all the information to help others to judge the value of your contribution; not just the information that leads to judgment in one particular direction or another.”

*Richard Feynman*

“If I have a thousand ideas and only one turns out to be good, I am satisfied.”

*Alfred Nobel*

“Good ideas are not adopted automatically. They must be driven into practice with courageous patience.”

*Admiral Hyman Rickover*

“People buy into the leader before they buy into the vision.”

*John C. Maxwell*

“No person can be a great leader unless he takes genuine joy in the successes of those under him.”

*W. A. Nanc*

# Non-Pesticide Methods for Controlling Plant Diseases

Effective protection of agricultural plants against diseases and pests is critical to ensure a good and productive harvest. Two main methods of crop protection are in use: chemical pesticides and non-pesticide methods (NPM). In APO member countries, chemical pesticides are the more popular as they are economical and effective. However, there are problems associated with their use, such as pests developing resistance against chemical pesticides, health hazards during the application of chemical pesticides, pesticide residues in food, and degradation of the environment. Because of this, there is growing interest in using NPM for pest control.

To review the current status of NPM use in the Asia-Pacific region and find ways to promote its greater use, the APO held a seminar on “Non-Pesticide Methods for Controlling Diseases and Insect Pests” in Tokyo on 10-17 April 2002. The program was hosted by the Japanese Ministry of Agriculture, Forestry and Fisheries and implemented by the Association for International Cooperation of Agriculture and Forestry. Sixteen participants from 12 APO member countries attended the meeting. Presentations by resource speakers in the seminar touched on: NPM for managing crop diseases, insect pests, and weeds: present status, issues, and strategies; Biological control of vegetable pests with natural enemies; and Control of plant virus disease by cross protection.

In endorsing the greater use of NPM in agriculture, the participants are also mindful of the constraints. Among those they highlighted were: farmers’ ignorance of NPM; the advantages pesticides have over NPM in terms of cost and effectiveness; the slow effects of NPM, and its cumbersome implementation; lack of incentives to produce pesticide-free crops; presence of a strong pesticide-industry lobby; inadequate research; and insufficient governmental financial and policy support. To overcome these constraints and others, the participants proffered the following suggestions: 1) NPM should form an integral part of an overall integrated pest management program. 2) The government should increase its support for multi-disciplinary, applied, and demand-driven research

on NPM. 3) There should be incentives for farmers to use NPM. 4) Farmers should be educated in the importance of NPM and trained in using it. 5) The education and training of farmers should be supported by the government, either directly or indirectly. 6) Regulations limiting the use of chemical pesticides should be formulated and strictly enforced. 7) The efforts of the government in promoting the use of NPM should be complemented by NGOs, civil society organizations, and other public-based groups, including consumer associations. 🌀



One for the album

## Research and Development Management

R&D is considered as very important to businesses wishing to gain a competitive edge in the global market. However, R&D requires huge financial investment and a strong pool of professional capability. Few companies in the Asia-Pacific region have these resources. They need governmental funding assistance and collaboration with other companies, universities or research institutes to undertake R&D activities.

To generate a better understanding of the importance of R&D in member countries, the APO organized a seminar on “Research and Development Management” in Seoul, Republic of Korea, 27-30 March 2002. Sixteen participants from 11 countries took part. The seminar was inaugurated by Mr. Hee-Beom Lee, APO Director for Korea and Chairman and CEO of the Korean Productivity Center.

Seminar sessions dealt with: 1) The dynamics of R&D from imitation to innovation; 2) Linkages among university, industry, and government in science and technology development; 3) R&D and economic growth; 4) Government and corporate policies on R&D investment; 5) Diffusion-oriented R&D strate-

gies; and 6) Intellectual property rights. Participants made observational field trips to the Korea Institute of Science and Technology (KIST) and the Songdo Techno Park, Incheon. 🌀



Participants (R) being briefed by KIST officials



Ms Pathmajina Siriwardana, a participant from Sri Lanka, sharing her experience with fellow participants.

News, shared her experiences serving as a rural livelihood extension worker in the mid-1960s. The final speaker, Mr. Masami Mizuno of the Policy Research Institute of the Ministry of Agriculture, Forestry and Fisheries, spoke on the role of women in the Rural Life Improvement Program.

The symposium concluded with a panel discussion on “Implications of Rural Life Improvement in Japan for Rural Development in Developing Countries.” Apart from the four resource speakers mentioned above, the other two panelists were Mr. Ryuzo Nishimaki, Managing Director of the Agriculture, Forestry and Fisheries Development Study Department of JICA, and Dr. Chang Soo Choe, Assistant Professor of Korea University. The panel discussion was chaired by Mr. Kunio Tsubota, Director of the Agriculture Department, APO Secretariat. 🌀

Strategy-Linked Performance Measurement in Mongolia ..... (Continued from page 1)

**The Measurement System**

After being exposed to a bewildering array of possible measurement approaches, a representative measurement team adopted an imaginative combination of techniques around which to build a balanced scorecard (BSC). Because many of the key performance indicators (KPIs) chosen (e.g., customer satisfaction and the productivity of support processes) would not reduce to a single metric, the objectives matrix (OMAX) was used to combine several different criteria into a single index of performance. After wrestling with precise definitions, data problems, targets, and methods of portraying results, the measurement team was soon able to present to company management a BSC portraying company performance over four quarters of the financial year.

Ten carefully chosen KPIs covering return on investment to product quality, employee satisfaction to market share, and product life cycle to total factor productivity (TFP) made up the BSC. Each KPI had an “owner” as well as a back-up person drawn from within the team. Particular attention was given to measuring TFP because of its importance and the specific difficulties involved. Intense training was given in the concepts and practicalities of measuring TFP and how to use productivity accounting to ensure that a link was forged with “bottom line” profitability.

The management team was also given an appreciation of how strategic measurement systems worked. A systems review of the company was conducted to provide a common understanding of the entire value-adding process, and vision and strategy were revisited to ensure alignment before the KPIs were specified.

APO/NPDC consultants gave the measurement team feedback on both technical (i.e., measurement) and social (i.e., group process) aspects. The latter was designed to improve the way in which the team worked together. The opinions of the team and the executive management were surveyed to ascertain the extent to which these stakeholders believed that progress was being made. To promote broader acceptance, the BSC was built into a highly visible measurement system, a process that elicited both enthusiasm within the team and considerable attention from other employees.

**Lessons**

In designing and building the strategy-linked performance measurement system, we learned the following:

- Getting the measurement system right from a technical perspective does not automatically guarantee that it will be used for making better strategic decisions.

- The data demanded by such systems reveals deficiencies and inconsistencies in the organization’s accounting and other information systems.
- Strategy-linked measurement systems can be introduced at any stage in the improvement process, although the company has to be clear about its strategy.
- Introducing such integrated systems requires collaboration and teamwork at all levels.
- Such systems will facilitate benchmarking and best practice endeavors.
- Properly deployed, strategy-linked performance measurement systems will motivate people throughout the organization.

Erdenet Carpet Company, the model company, has successfully negotiated a steep learning curve in the field of strategic performance measurement. This is largely due to the efforts of the core measurement team and the total commitment of the company’s executive director. The team now meets every two weeks to review progress, debate responsibilities, consider new KPIs, and formulate action plans. After almost a year its job is by no means over, but it has made a wonderful beginning. 🌀

*John Parsons is the Chief Executive Officer of Resource Alternatives, Botswana, and Shagdarsuren Nurmaa is a staff member of NPDC Mongolia.*



# p-Experts Deputed by APO

## REPUBLIC OF CHINA

**Mr. Graeme Dobbs**, Assistant Director, Resource Design and Development Services, Open Training & Education Network, Australia, was deputed to serve as a resource person in the Seminar on Multimedia for Productivity Promotion and Enhancement, 25-29 March 2002.

## FIJI

**Mr. Stuart Duncan Sinclair**, Senior Lecturer & Program Leader, Auckland University of Technology, New Zealand, was deputed to conduct a sales & marketing workshop, 3-10 April 2002.

**Mr. Burton Lum**, President and CEO, NetEnterprise, Inc., USA, was deputed to conduct training on e-Commerce, 9-10 April 2002.

The following six persons were deputed as experts to the Asia Pacific Regional Eco-tourism Conference: The Sustainable Challenges and Green Productivity, 14-17 April 2002: **Mr. Albert Teo**, Managing Director, Borneo Eco Tours, Malaysia, **Mr. K. G. Mohanlal**, Director, Eco-tourism, Tourism Department, Government of Kerala, India, **Prof. Tor Hundloe**, Environmental Management Center, Australia, **Mr. Fumihiko Sakakibara**, Mile Post Consultants Inc., Japan, **Mr. Tenshin Kobayashi**, Regional Manager, Tourism New Zealand, Japan Office, and **Prof. Nelson Delailomaloma**, Former Minister of Education, Fiji.

**Mr. Anuar bin Mahmud**, Consultant, and **Ms Shahuren Ismail**, Director, Industry Research Division, both from the National Productivity Council, Malaysia, were deputed to serve as resource persons in the Strengthening NPO Services Project: Installation of Productivity Measurement, 15-24 April 2002.

## INDIA

**Mr. Gary Swee-Kok Lim**, President, Gary Lim Consultancy, Singapore, was deputed to conduct a workshop on Marketing for Small and Medium Enterprises and Marketing Plans for Management Consultancy Business, 8-13 April 2002.

## JAPAN

**Dr. Fumikatsu Tokiwa**, Senior Advisor, Kao Corporation, **Mr. Hiroaki Shigeta**, Chairman of the Board, Nippon Roche K.K., **Mr. Kazue Kikawada**, Senior Free-lance Bandit, Knowledge Dynamics Initiative, Fuji Xerox Co., Ltd., **Prof. Ikujiro Nonaka**, Graduate School of International Corporate Strategy, Hitotsubashi University, **Mr. Kunio Ushioda**, Executive Vice President, NTT DoCoMo, Inc., **Mr. Masao Maekawa**, Chairman, Mayekawa Manufacturing Co., Ltd., **Mr. Yasuo Nakata**, Senior Manufacturing Director, Calbee Foods Co., Ltd., and **Dr.**

**Ryoko Toyama**, Associate Professor, Graduate School of Knowledge Science, Japan Advanced Institute of Science and Technology, all from Japan, were deputed to serve as resource speakers in the Top Management Forum on Knowledge Management for Corporate Innovation, 3-8 March 2002.

**Dr. Peter A. C. Ooi**, Chief Technical Adviser, FAO Regional Office for Asia and the Pacific, Bangkok, and **Dr. Danny Hunter**, Team Leader, Taro Genetic Resources, Secretariat of the Pacific Community, Fiji, were deputed to serve as the resource speakers in the seminar on Non-Pesticide Methods for Controlling Diseases and Insect Pests, 10-17 April 2002.

## REPUBLIC OF KOREA

**Mr. Yasuhiko Iwaoka**, Senior Consultant, Iwaoka R&C, Japan, and **Dr. Hiroshi Kashiwagi**, CEO, Generous Spirit, Japan, were deputed to serve as resource speakers in the seminar on Research and Development Management, 26-30 March 2002.

**Dr. Subhash Wadhawa**, Professor, Department of Mechanical Engineering, Indian Institute of Technology, was deputed to serve as a resource speaker in the seminar on Total Productivity Management, 8 April 2002.

## MALAYSIA

**Mr. Takashi Kiuchi**, Chairman, The Future 500, Japan Office, was deputed to render technical expert services in the Practicum Workshop for Trainers/Consultants on Green Productivity and in the workshop on Green Productivity for CEOs, 26 March 2002.

**Mrs. I Weng, Armpon**, Senior Consultant, and **Mr. Lai Swee Fong**, Senior Consultant, both from Novo Environmental Technology Services Pte. Ltd., Singapore, were deputed to conduct a program on ISO 14001 Auditor Program, 1-5 April 2002.

## MONGOLIA

**Mr. John Parsons**, Chief Executive Officer, Resource Alternatives, Botswana, was deputed to serve as a resource person in the Strengthening NPO Services Project: Model Company for Productivity Measurement (Part 3), 21 March-4 April, 2002.

## PHILIPPINES

**Dr. Tito E. Contado**, Former Chief of FAO's Agricultural Education, Extension and Communication Service, Philippines, was deputed to serve as a resource speaker in the study meeting on Integration of Agricultural Research and Extension, 18-22 March 2002.

## Program Calendar

### India

Seminar on Benchmarking, 10-13 September 2002.

### Islamic Republic of Iran

Advanced Workshop on Green Productivity for Educators, 1-5 September 2002.

### Japan

Seminar on Kaizen-Centered Knowledge Management, 9-20 September 2002.

Study Meeting on Regional Industrialization and Development, 29 September-4 October 2002.

### Philippines

Training Course on Development of Women Entrepreneurs, Stage 1, 10-14 September 2002, Stage 2 in Malaysia, 16-20 September 2002.

### Thailand

Multi-country Workshop on Green Productivity for Sustainable Investment, 19-23 August 2002.

### Hawaii, USA

Workshop on e-Commerce: Opportunities and Applications, 28 October-1 November 2002.

*Kindly contact your NPO for details of the above activities, including eligibility for participation. If you need the address of your NPO, it is available from the APO Web site at [www.apo-tokyo.org](http://www.apo-tokyo.org).*

## THAILAND

**Mr. Masaru Sekiguchi**, Senior Technical Consultant, International Standardization Cooperation Center, Japanese Standards Association, Japan, was deputed to conduct a seminar on Problem Solving by QC Method, 25-30 March 2002.

## VIETNAM

**Mr. Prabakaran Achuthan Nair**, Director, NCS Pte. Ltd., and **Mr. Tan Kim Leng**, Managing Director, Knowledge Driver Asia Pte. Ltd., both from Singapore, were deputed to conduct a seminar on Development of Knowledge Management Consultancy Services, 21-26 March 2002.

# RURAL LIFE IMPROVEMENT

Rural life can be extremely harsh in areas where climatic and other conditions are not ideal for agricultural pursuits. To improve the lives of the people affected, various rural development programs were introduced by many countries. Some APO member countries have focused on rural life improvement from the very beginning of their rural/community development efforts. In these countries, agricultural productivity enhancement and rural life improvement were pursued simultaneously as two sides of the same coin. Their success is now an inspiration and encouragement to others seeking to improve the quality of life of their people. Japan is a good example. After World War II, the Japanese economy was in ruins, and rural life was particularly hard. To help alleviate the situation, innovative measures were undertaken, with one of the more prominent being the Rural Life Improvement Program. It introduced the following innovative approaches that are now widely adopted by those involved in development work: participatory development, involvement of women, decentralization of authority, and kaizen or continuous improvement.

To enable other member countries to learn from the Japanese experience in rural life improvement, the APO organized a seminar on “Rural Life Improvement for Community Development” in Japan, 22-26 April 2002. Seventeen participants from 11 member countries attended the seminar.

At the seminar, it was generally agreed that the experiences of one country several decades ago could not simply be transferred for application in others today for a host of reasons. For example, women were the main target of Japan’s Rural Life Improvement Program as it embraced a wide range of activities associated with them, such as modification of cooking stoves, better nutrition, implementation of water-supply projects, and the processing of local products. Such an approach would be difficult to implement in some other countries because of the low status of women in society.

Japan, it was pointed out, had a strong motivation to carry out the program, i.e., to rebuild the nation and to stave off a looming famine. This desperate situation provided the impetus that pushed the Rural Life Improvement Program forward. Other member countries today would have to find their own compelling reasons to promote a similar program.

In conjunction with the seminar and with the support of the Japan International Cooperation Agency (JICA), the APO organized a half-day symposium on “Rural Life Improvement in Japan and Rural Development in Developing Countries” in Tokyo on 24 April. More than 180 people, including the seminar participants, took part.

APO Secretary-General Takashi Tajima spoke at the opening session of the symposium. He pointed out that because of the Rural Life Improvement



The panel discussion in progress (L-R): Mr. Tsubota, Dr. Long, Dr. Chang, Mr. Nishimaki, Mr. Mizuno, Ms Nishigata, and Mr. Sato.

Program, “Japanese rural areas improved and laid the foundation for the subsequent high economic growth of Japan.” Revisiting the role played by the Rural Life Improvement Program in Japan in the past could provide useful policy lessons for developing countries today, he added.

Another speaker at the opening session was JICA Senior Vice President Hisao Azuma. He said that most of Japan’s agriculture sector consists of small farmers, and developing countries in which the agriculture sector also comprises small farmers could gain much from Japan’s past experience. Mr. Azuma informed the delegates that JICA, as part of its international cooperation program, had compiled Japan’s experiences in rural development for the benefit of other countries.

Professor Norman Long of the Netherlands’ Wageningen University gave the keynote address on “Issues and Perspectives of Rural

Development.” He demonstrated how rural development was socially constructed through the encounters, struggles, and negotiations between the different social actors, such as government agencies, farmers and their families, traders, politicians, and activists. He also introduced key concepts necessary for developing an understanding of the processes of rural development, as well as a methodological overview of his “actor-oriented analysis.”

Japanese resource speakers provided in-depth details on the Rural Life Improvement Program in Japan. One speaker, Mr. Hiroshi Sato of the Institute of Developing Economies, Japan External Trade Organization, outlined the history and achievements of the rural life improvement movement in post-war Japan, and emphasized that although this program was initiated by outside authority, it was quickly localized. Ms Noriko Nishigata, a reporter with the Japan Agricultural

(Continued on page 6)