Abstracts

Yamaki, Setsuo “For the establishment of linkage between benefit and burden in public finance” pp.6-16
This is a transcript of the author’s last lecture at Toyo University. Through out his career as a scholar, the author pursued the appropriate beneficiary burden in public finance. The author stresses the importance of the benefit assessment of public services in order to decide appropriate burden by the beneficiaries as well as the underling norm of public funding—simulteneouse settlement of revenues and expenditures. Then the article raises the issues and necessary considerations in applying the appropriate beneficiary burden system in reality; tax for welfare and earmarked funds; separation of redistribution and allocation of resources; municipal administrative evaluation; consistency and fiscal obligation in policy making, taxation and service execution; centralization and decentralization of public funds and policy making; and role of public and private service providers in the context of social complementariness. The author concludes that as many governments lack of public funding, assessment of public benefit and burden is crucial to enhance the quality policy making and democracy.

Nemoto, Yuji “Consideration on framework of PPP studies (3)” pp.17-43
In the previous two issues, the author enunciated the functions and systemic failures of the government, market, and public-private partnership. In this research, the author argues that PPPs can support propositions of being public-nature and efficient. In addition, well-designed RFPs can help public and private sectors avoid the failures in PPP. The article analyzes the simulations on RFP preparation, showcases examples of good practices and issues in RFP development and provides guidelines for RFP development. It also includes two examples from recent RFP simulations as appendixes.

Kagami, Kazuaki “PPPs in the economic theory: reexamination of basic concepts” pp.44-59
This research intends to reexamine the basics of PPP concept in economics theory, in order to appraise benefits and issues of PPP in practice. The author argues that the structural or institutional approach has limitation in understanding the essence or denotation of PPP in the social context; therefore, it is necessary to take a function-oriented approach. In this article, the author applies his approach to examine the meanings and conditions of VFM and sharing of risks and rewards between public and private entities. He defines PPP as a compound mechanism that consist of both public and private mechanism to provide with appropriate goods or services (functions) to the society with given input. With this regard, the author emphasizes that it is important to calculate VFM to analyze how PPP can improve the production and optimizes the social welfare. Then he evaluates optimal allocation of risks in PPP under the state of asymmetrical information.

On March 11, 2011, the Great East Japan Earthquake occurred. The number of free legal consultation provided by attorneys-at-law from March 2011 to May 2012 in relation to the disaster exceeded 40,000. The contents of the 40,000 legal consultations were collected by the Japan Federation of Bar Association, and all kinds of analyses were made. The author of this article proposed to make and was responsible for such analyses.

As a result of the analyses of the legal consultations, it became clear that the tendency of the consultations greatly varied depending on the disaster-affected regions (regions where villages was affected by tsunami, regions where the city was affected by the tsunami, regions where the city was affected by the earthquake itself, earthquake itself, regions affected by the atomic power plant accident, etc.). Also, it became clear that the tendency would change with the lapse of time (sudden increase of consultations on inheritance, ending of neighborhood disputes).

Among the legal needs that became clear by the Great East Japan Earthquake, “provision of information on livelihood support” was especially important. This included benefits from the government, extension on payment of house loans, and the treatment of lease agreements. However, the government and companies were not able to make such information sufficiently well-known to the sufferers. In the case of the Great East Japan Earthquake, the free legal consultation activities by attorneys-at-law served as a “substitute function” for the provision of information which had to be made by the government and companies.

The substitute function for the provision of information performed by the free legal consultation activities is not something unique to the Great East Japan Earthquake. It could be a model case for any future disaster. Therefore, I propose to generalize the free legal consultation activities and make “multiple routes for the provision of information” a new system design for disaster prevention and risk management.

In order to realize “multiple routes for the provision of information”, it is necessary for the government, companies, NPO and specialists who are responsible for such provision of information to cooperate with one another and establish a network. The government shall become a coordinator to ensure reliability. Companies and NPO shall become supporters who directly engage in supportive activities at the disaster areas. Specialists shall take the role of communicating information sent out from the government, companies and NPO to the sufferers, so that they can understand it easily in light of the current law system.

Developing human resources responsible for the realization of “multiple routes for the provision of information” is also important. In order to organize information related to all kinds of recovery support and livelihood reconstruction immediately after an enormous disaster, appropriate skills and technique in relation to legal systems applicable in case of disasters are necessary. Not only in universities, but also widely in the education of disaster prevention and general arts, the public and private should educate people having knowledge in relation to disaster recovery and livelihood reconstruction. The “Study on Disaster Recovery and Revitalization Law” at Keio University is such an example.
Ogihara, Akira “Developing the international competitiveness in the ‘package of overseas infrastructure development’” pp.80-101
This article analyzes the issues of PPP in the context of the package of overseas infrastructure development. Based on interview with government and private sectors, the author lists several issues which make Japanese entities less competitive in global PPP infrastructure markets: lack of information for business case developments; complexity of risk allocations and managements; institutional limitation on technology transfer and FDI; lack of coordinating entity in life cycle of projects; and lack of experience and human resources in project development, operation and management. The author proposes establishment of a knowledge hub for information sharing, a platform for project development with public and private entities, strategic top sales, implication of pilot projects, institutional and organizational support to the object country.

Nakakita, Toru “Issues in implementing PPPs in water sector” pp.102-110
Recently, many policy makers at national and local governments rivet their attention upon private participation in water supply and waste water treatment. In this article, the author raises issues in implementing PPP in local water supply business where many public water suppliers are struggling with small markets and aging of staffs—85% of local public water suppliers serve for less than 100,000 and about 40% of technicians are 50 years old or above. In order to improve efficiency and utilize scarce resources in water business, the author points out the possibility of private participation such as designated manager system, comprehensive outsourcing, PFI and concession. The article lists some of the earliest practices of such private participation, but concludes that it is still very rare in Japanese municipalities. The author claims that one obstacle that keeps private sector from participating in water supply management is the mentality of public entity. In addition, since water supplement is a multilayered systems industry, it is necessary to integrate, consolidate, and manage these scattered and redundant processes.

Ogawa, Chikako “The role of the private sectors and citizens in the compulsory education” pp.111-124
The compulsory education is highly public in its nature. This article first studies the roles of public and private sectors—public and private schools and other supporting industries—in the compulsory education system, and its issues. The author points out the necessity of market competition and specialized education program in public compulsory education with private participation. As the government guidelines for school teaching started to mandate new curricula such as English in elementary schools or dance and martial arts in middle school, demands for public-private partnership to utilize private sector personnel and specialized knowledge and skills have become larger.

Rikitake, Tadayuki “Considerations on the private development of public buildings” pp.125-134
This article compares various methods to develop public real estate through Public
Private Partnership. Its main focus is on leveling out or easement of public spending in developing public facilities. It showcases case studies of PFI, joint development of a public facility with private facilities, land trust with partial land sale and building obligation, and land leasehold (fixed-term). Then it applies joint development of public administration building and private facilities on a plot of land with fixed-term land leasehold in one municipality. It proves PFI has more than 11 to 12% of VFM, whereas joint development with fixed-term land leasehold reaches 17.2 to 26.4% of VFM.

Tabuchi, Sam “What Japan has learned from the Great Eastern Japan Disaster of 2011” pp.135-147
This report contains a summary of the report, which Toyo University has prepared for the study of the Great Eastern Japan Disaster in conjunction with the research conducted with United Nations ECE PPP Bureau and UNISDR. The report emphasizes the importance of national coordination, legislative and organizational preparation for massive disaster, including the establishment of emergency management authority. It also emphasizes the necessity of strategic, economically feasible and financially viable reconstruction programs that can be led by well analyzed and planned PPP projects. Some other recommendations include logistics support through public-public or public-private partnerships, as well as resilient infrastructure matched with training and education programs.

Seki, Sachiko “Current condition and issues in reconstruction of Otuchi Town, Iwate” pp.148-168
This article discusses the current issues in reconstruction of Otsuchi Town, Iwate, where more than half of residential area and almost 100% of its commercial district were inundated in the tsunami of March 11, 2011. The author analyzes the economic conditions of the Town and many supporting activities undertaken by national and regional governments, a quasi-public development agency, and NGOs. Then the author proposes action plans for redevelopment of industries in the town, where many people work in factories in nearby city and fishery-related industries prior to the devastation.

Tsuruzono, Takuya “A study on the state of public facilities in Kunitachi City” pp.169-178
This is a summary of Toyo University’s study on management measures for aging public facilities in Kunitachi City. Kunitachi City has only 1.5 m$^2$ of public facilities per capita, but over 80% of them are 30 years or older. Because the City has suspended public investments for many years, it needs urgent and intensive investments on replacements and refurbishments, in next ten to twenty years. It is clear that the necessary replacement costs far exceed the average annual public investment of the city. In the core of the study, the article proposes to classify public facilities into three categories by its functions and scope of services: whole city, school districts, and neighborhoods. The study finds that consolidation of elementary schools, middle schools, conference halls, and community centers in PPP
modes will help the City manage the problem. This article provides basic methods to evaluate and analyze present state of public facilities and spending, and ideas for how to manage and tackle the issue.

Sekine, Hirotaka “PPP Possibilities and proposals for Mandaue City, the Republic of the Philippines” pp.179-185

This article is based on a study conducted in a Filipino city, Mandaue, Cebu in September 2012. Toyo University conducted a study on PPP and other economic development possibilities as a part of its Area Revitalization Support Program. Mandaue City is located in Metro Cebu Area and has long-lasting problems of solid waste management, traffic congestion, and flooding. The study team proposed several possibilities on solid waste management program to generate fertilizer and energy from organic waste and reduce the amount of solid waste going into city’s landfill. Other proposals include traffic management system using ICT, flood control with household water storage tanks, construction of schools through PPP. Since the city depends on heavy industries such as shipbuilding, the team proposes to establish a new industry such as next-generation-car manufacturing.