

## PREFACE

The aim of this book is to present a new paradigm of leadership and management in community development that can be used to solve social issues. It is designed to encourage better collaboration through the transformation of individual and institutional mindsets. By grounding our approach in knowledge creation theory, we hope to capture key factors and processes in changing and or creating new institutions.

Every community strives to enhance their quality of life, but that becomes more challenging in increasingly volatile and disruptive environments. The need to find new ways for communities to be more collaborative, innovative and effective in solving societal issues is a truly critical problem in both developing and developed countries. To address this, there have been movements in many parts of the world among public organizations, NPOs/NGOs, private organizations and individuals that endeavor to promote a transformation in the way people think, as well as in their actions and the way they work together to resolve societal issues. This has come to be referred to as “social innovation.”

This led to the emergence of a “social innovation” movement in the late 1990s, which became widespread in the 2000s when the West faced management failures due to unethical management behaviors. Examples of this include the Enron and Worldcom scandals, the Lehman shock and the global financial crisis. Consequently, there were increasing demands for corporations to introduce corporate social responsibility (CSR) policies—that is, a company statement on their responsibilities as members

of society. This provided a trigger for the private sector to undertake innovative approaches toward solving social issues by collaborating with multiple stakeholders, including public administrations at the national, regional, municipal, and community levels. This movement blurred the boundaries between private and public sectors, leading to closer collaboration. A range of research has been conducted on this movement from a variety of perspectives, including dynamic capabilities (Teece 2014), and open innovation (Chesbrough et al. 2014).

Over the same period, social entrepreneurs and social enterprises, which aim to solve social issues, have also emerged. They introduced a “business management approach” to address social issues through activities that are sustainable, if not profitable. Major characteristics of social entrepreneurs and social enterprises are that they make full use of social capital, such as love, care, and trust relationships among the people in the community, as well as the leadership capabilities of social entrepreneurs. Accordingly, research into social entrepreneurship and social enterprises from the perspective of social capital and leadership has become a major focus in these fields (Mair and Marti 2006).

We have identified a previously unexplored gap in the existing research. Little research has focused on the processes of community development from the perspective of creating new knowledge or utilizing wisdom, in order to solve social issues by encouraging people to transform their own mindsets and to collaborate and then lead the institutional transformation. Accordingly, our challenge in this book is to understand and explain the processes of community development, and consider the factors that promote or inhibit the processes, by grounding our approach in knowledge creation theory.

This challenge is based on the history of our joint projects. Following ten years of joint projects between Japan International Cooperation Agency (JICA), and Graduate School of International Corporate Strategy, Hitotsubashi University (Hitotsubashi ICS), in which government officials and staff members from ASEAN countries developed knowledge creation theory, we became confident that a knowledge creation theory on management that originates in the private sector is able to help clarify the issues that communities face and provide solutions. With this in mind, in 2013 we set up a joint project between JICA, the National Graduate Institute for Policy Studies (GRIPS), and Hitotsubashi ICS. We invited leading scholars and practitioners in public policy management and studied distinguished cases in five countries (Indonesia, Philippines, Thailand, Vietnam, and Japan). Each case study

examined how communities developed and solved societal issues by promoting a transformation in the way that people work together. From the case studies, we gained insights into knowledge creation theory that show how the processes of community development can be explained, as well as the particular styles of leadership and management that initiated the transformation.

With this background in mind, we aim at achieving three specific goals in these two volumes: (1) to describe the distinguished case studies in five countries with diverse contexts as exemplars of processes for solving societal issues by changing people's and institutions' mindsets; (2) to discuss how applicable the theory is—in terms of its effectiveness in explaining the transformation processes—by reflecting on the case studies; and (3) to present the implications of the research and the practices in the public sector by grounding it in the knowledge creation theory on management. What distinguishes these two books from each other is that this volume focuses on community development, while the other volume—*Knowledge Creation in Public Administration: A New Paradigm for Innovative Governments in Asia*—examines transformation processes in public administration. In addition, the cases and discussions in this book focus more on Japan and Thailand than other countries because we have longer research records in these countries than in the other three countries, and because we think the case studies in these countries can provide good exemplars for other countries. Accordingly, this book is structured as follows:

Chapter 1 sets out the basic concepts and frameworks of knowledge creation theory on management: namely, the SECI model, the concept of *ba*, middle-up-down management, dynamic fractal organization, and *phronesis* (wise leadership).

From Chapter 2 to Chapters 8, ten case studies will be presented. The title, name of leading author and a brief introduction of each case study is listed below:

Chapter 2 *Collaboration on City Planning: A Lesson from Mayor Joko Widodo (2005–2011) (Indonesia)*—by Anwar Sanusi, Secretary General, Ministry of Village, Development of Disadvantaged Areas and Transmigration

This is a case study about Joko Widodo (or Jokowi)—elected the President of Indonesia in 2014—from the period between 2005 and 2011 when he was the mayor of Solo city. Mayor Jokowi established a new collaborative relationship between the city administration and the citizens by listening to the people. Jokowi's attitude toward the people's

voices became his trademark, an approach that came to be known by the Javanese word *blusukan*. He listened to the public and used this as a means of tackling public issues. This was considered an innovative approach in Indonesia at the time.

Chapter 3 *People-Centric Leadership at the Local Level: Yala Municipality, Thailand*—by Orathai Kokpol, Deputy Secretary General, College of Local Government Development, King Prajadhipok's Institute

This case study describes the process of transformation facilitated by the Mayor, Mr. Pongsak, who established a team and transformed the municipal administration to pursue people-centric value creation and innovation despite strong centralization pressures in Thailand.

Chapter 4 *Mitaka City Development: Collaborating in Harmony (Japan)*—by Ayano Hirose, Assistant Professor, Department of Global Business, College of Business, Rikkyo University

This case study examines how four mayors after WWII led city development by utilizing the knowledge of the citizens through citizen participation and collaboration.

Chapter 5 *Da Nang City Development (Vietnam)*—by Nguyễn Thị Hải Hằng, Ph.D., President, Vietnam Aviation Academy

This case study examines how Da Nang City transformed itself from a centralized and controlled city into a decentralized and independent city.

Chapter 6 *Antonio Meloto: Empowering the Filipino Poor toward Sustainable and Innovative Communities (Philippines)*—by Alex B. Brillantes Jr., former Commissioner, Commission on Higher Education

This is a case study of community development initiated by Mr. Meloto, who is an ordinary citizen but has also led the transformation of the minds of the people in communities. He has worked not only with the citizens but also the city administration, finding ways to empower poor people to improve their lives. He established an organization known as Gawad Kalinga (GK), a non-governmental organization that aims to build homes and a better quality of life for every Filipino, thereby changing the way poor people live.

Chapter 7 *Social Innovation in a Leaf-Selling Business: Irodori in Kamikatsu Town (Japan)*—by Ayano Hirose, Assistant Professor, Department of Global Business, College of Business, Rikkyo University

This case study explores the revival process of an aging rural town led by Mr. Yokoishi, an outsider who started a leaf-selling business despite strong opposition by the local people at the time of start-up.

Chapter 8 *“It Can Be Done:” Economic Forests and Social Entrepreneurship in Doi Tung, Thailand—by Ms. Pimpan Diskul na Ayudhya, Mae Fah Luang Foundation under Royal Patronage*

This case study is about the revival of the golden triangle on the northern border of Thailand where an NPO leader, known as Khun Chai, and his members transformed the way people lived. He did this by developing economic forests, thereby encouraging a move away from opium production.

Chapter 9 presents an overview of transformation processes in Thailand by considering how people think and act in communities to solve societal issues, and is authored and discussed by Woothisarn Tanchai, Secretary General of King Prajadhipok’s Institute. It provides preliminary hypotheses on factors that can affect the transformation processes, as well examining how leadership can facilitate social innovation.

In Chapter 10—the conclusion of the book—we discuss the lessons to be learned and implications for the transformation processes of changing mindsets and facilitating the actions of the people in the community in ways that can be used to solve societal issues, from the perspective of knowledge creation theory. What makes community development unique and innovative—compared to innovation in the private sector, or innovation in the public sector in relatively larger areas—is that it involves multiple stakeholders from various organizations who may have different objectives, expectations, interests, and values in rather close and direct relationships. Ways of synthesizing this diversity and mobilizing stakeholders to collaborate and co-create new knowledge toward mutual goals will be one of the key findings and implications of this book.

As far as we are aware, this is one of the first books on community development that has transformed administration processes and led to innovation in communities. This is also one of the first books on public administration from the perspective of knowledge creation theory on management. In addition, this book contains a rare output of comparative studies by the group of leading academics and practitioners who have spearheaded reform initiatives in four East Asian countries and Japan.

This book is intended for readers who are interested in, exercising, and/or studying public administration and public policy on community development to solve social issues. The target may be students and academics in public administration and public policy management programs, as well as those in fields related to business administration and business

management. In addition, municipal officials, and community leaders who are concerned with community development may benefit from this book.

Although the contexts of the cases are in the East Asian countries and Japan, knowledge creation theory on management is applicable to any part of the world. This book is the outcome of diversity and its synthesis, as well as collaboration and co-creation. We have spent over two years on this project, going through intensive workshops, dialogues, and discussions. This work could not have been accomplished without the support of representatives from Indonesia, the Philippines, Thailand, and Vietnam, as well as the support of staff members of JICA, JICA Research Institute, GRIPS, and Hitotsubashi ICS.

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We hope this book will be a first but nevertheless important step toward co-creating values for society, through the partnership between people in both the private and public spheres to collaborate and innovate by unleashing our knowledge potential.

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