



# Voices

Newsletter of the Sasakawa Peace Foundation

No. 37, Fiscal Year 2003, Vol. 1

## Japan is well suited to send a message on world peace

*Time to return to the primordial belief that all things possess life*

*Tetsuo Yamaori, Director General and Professor Emeritus of the International Research Center for Japanese Studies, talks with SPF Chairman Setsuya Tabuchi*

### The Western and Japanese ways of understanding things

**Tetsuo Yamaori:** The way people think about NPOs and NGOs seems to differ in Japan and overseas, doesn't it?

**Setsuya Tabuchi:** Originally, Japan did not place importance on NPOs and NGOs. Ever since the time of feudal government there's been the idea that the authorities know how to use money most effectively, so everything should be left to them.

**Yamaori:** Perhaps the idea was that to be on the safe side it was best not to rock the boat. But that may not suit today's circumstances.



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**Tabuchi:** After World War II Japan glorified prosperity. And this was to be achieved through a capitalist planned economy, an approach predicated on the existence of authorities. "Authorities" here meant the Ministry of Finance. The authorities' agent was the Industrial Bank of Japan, under which were the "executive banks" like the Mitsui and Sumitomo Banks. Private-sector companies had these banks loan them the money they needed to do their work. This pattern prevailed for years. But as Japan grew into the biggest economic power after the United States, extravagance and corruption emerged. And now the whole structure has begun to fall in

on itself like a house of cards. When the economy is expanding it's appropriate to take a Confucian approach, but when it's contracting we need to adopt a Taoist approach, it seems to me.

**Yamaori:** I see what you mean. Many of the collapses we've been seeing appear to have been triggered by whistle blowing—in other words, betrayal of an organization in the name of justice. I think this was both inevitable and necessary, since corruption had occurred in every area, from top to bottom. Corruption is nothing new. I suspect it has been around as long as the human race. Still, Japanese social morality dictated that one mustn't betray the organization.



Now this structure has begun to crumble.

When we think about this problem, however, it's very important to recognize that Western society's view of humanity and the view of humanity that took form in Japan differ fundamentally. Basic to modern Western society's way of thinking is the view that human beings are to be doubted. It is thanks to this doubting nature that civilizations have developed and science has advanced. But if this way of thinking is taken to its extreme, communities cannot take form. A people cannot coalesce into a nation.

To enable communities to form, modern Western society thought up two conditions. One was the monotheistic way of thinking. Individual human beings, isolated from and hostile toward one another, are controlled by a transcendental god. This is where the idea of the "invisible hand of God" comes from.

The other is the concept of the contract. This has been reflected in society ever since the covenant between God and the children of Israel in the Old Testament. If doubting beings are to work together, contracts become necessary. Only with the concepts of the contract and of monotheism can doubting beings create a single society. This is my hypothesis.

These two conditions don't exist in Japanese society, however. Given such a society, if the various ideas that go with Western values and securities transactions are introduced without any modification, how can they be expected to work well?

**Tabuchi:** Cultural differences can be seen in the world of securities investments, too. The Japanese dislike high-risk, high-return investments. In America, on the other hand, there's a flourishing junk-bond market. This works by trading in bonds with a very low credit rating, for example trading bonds with a face value of \$10 billion for \$10 million. But in Japan, going back to the Edo period [1600--1868], hardly anyone has succeeded in this kind of high-risk, high-return investment. So even if you create the same kind of stock market seen in the rest of the world, it doesn't work in the same way.

I was involved in buying and selling securities for many years. I've seen all kinds of people. I can't help feeling that the market value of securities is determined by divine providence or that an "invisible hand" is at work. Hardly anyone in the world has lived out the rest of their life in comfort on the basis of money made from securities. Still, the "divine providence" I sense isn't God in the monotheistic sense but some kind of entity that governs the universe itself.

**Yamaori:** That's pretty close to my own sense. Gods are ubiquitous in the universe. Gods or buddhas exist in nature and in our society, which are made to move by their power. In Japan, monotheism and the contract haven't taken hold in any mature form as guiding concepts of the state. What are the concepts, then, on which the Japanese have built up their society? I think one is the moral premise that you mustn't betray the organization.

In reality, though, people do betray one another. But this doesn't

mean they have accepted the view that human beings are to be doubted. In the past the Japanese created the moral premise that human beings are to be believed. But this fundamental premise of Japan's structure has begun to crumble, although Japanese society still isn't aware of the danger.

### Religion as the conceptual ideal of national unification

**Tabuchi:** One way of spreading religion is war. Don't you think religion is invested with the wish for monopoly?

**Yamaori:** Five or ten thousand years ago, most of humanity in all regions, whether old or new continents, is believed to have shared the idea that all things have life. Human beings and other animals were equally endowed with life; humans killed and ate animals, and animals attacked and killed humans. This reciprocal relationship was naturally accepted.

In time, as states were created and civilizations developed, various peoples and cultures in various regions were unified. This called for conceptual ideals. Religions like Buddhism, Judaism, and Christianity originally emerged from the idea that all things have life, but they were used as conceptual ideals for national unification. The Roman Empire disseminated Christianity and the Maurya Empire of India spread Buddhism; if political power was to have universality, a religious value system was necessary. In this way religion and the state inexorably came to be linked.

Religion and war began to develop a close connection after the birth of Buddhism and Christianity. Western scholars called Buddhism and Christianity universal religions. That may be so in that they spread beyond ethnic and regional bounds, but in the light of the universal standpoint of how human beings live and die, this view seems to me to reflect far too limited a value sys-

tem. The idea that all things have life is much more universal. But Western modernity repudiated that view. This is now being radically challenged.

### Yasukuni Shrine is not, essentially, a political issue

**Tabuchi:** Changing the subject, I'd like to hear your view of Yasukuni Shrine, where the spirits of Japanese who have died in modern wars are enshrined.

**Yamaori:** From the Nara period [710--794] onward Japan had the idea of curse and propitiation. There are similar ideas in other parts of the world, but in Japan it was highly sophisticated. In the Japanese archipelago, since ancient times it was believed that upheavals, epidemics, and other misfortunes were due to some kind of curse, a punishment meted out by a great power. This reflects a way of thinking fairly close to that of the invisible hand of God.

The religions of Japan—Buddhism, Shinto, Taoism, and so on—joined forces to somehow propitiate the forces behind curses. These religions had differing systems and values, but they were united in their concern with propitiating the forces behind curses. Government put this into an organized form, and the people accepted it. All Japanese religious leaders, from Saicho [767--822], Shinran [1173--1262], and Dogen [1200--1253] down to the present, have endorsed it to a greater or lesser degree. This was the basis of the Japanese view of religion, and of nature and society. The enshrining of the spirits of the war dead in Yasukuni Shrine can be seen as part of this. Unless the spirits of those who have offered up their lives for the nation are propitiated they will cast curses—I don't know whether today's politicians actually believe this, but I suspect that they feel it subconsciously. That's because people who have taken

hold of political power need to propitiate those who have been sacrificed for them. This mechanism of the Japanese community has persisted right down to the present. This, first and foremost, is the way I perceive Yasukuni Shrine.

There's another point. In 1957 the singer Chiyoko Shimakura's "*Tokyo da yo okkasan*" [It's Tokyo, Mother] was a huge hit. A woman who lost her son in the war comes to Tokyo, and her daughter shows her around. The song has three verses. In the first verse the mother and daughter visit Nijubashi, one of the gates to the Imperial Palace. In the second verse they go to Yasukuni Shrine in the Kudan district. And in the third verse they visit Sensoji, popularly known as Asakusa Kannon, the temple to the bodhisattva Kannon in Asakusa. The second verse includes the words "My sweet big brother is surely waiting beneath the cherry trees." When mother and daughter go to Asakusa in the third verse, they feel reassured. The words "It's lively, like a festival" express the true healing of their hearts. I imagine those who heard the song felt the same way.

The present Yasukuni Shrine problem arises from political manipulation of the world of the third verse of the song. This is extremely unfortunate, because before considerations of whether it protects the nation or not Yasukuni has to do with the most basic religiosity of the Japanese people. Yasukuni coexists with faith in the Buddha and Kannon. We must value this aspect.

Maybe things are different now, but in the rural area where I grew up every home had a Buddhist altar and a Shinto shrine. Until a while ago there was also a photograph of the emperor and empress. The "three-piece set" of emperor (Nijubashi), Shinto (Yasukuni Shrine), and Buddhism (Asakusa Kannon) celebrated in "*Tokyo da yo okkasan*" was enshrined in every



### Tetsuo Yamaori

Tetsuo Yamaori was born in San Francisco in 1931. He graduated from Tohoku University in 1954 and earned an M.Litt. degree there in 1956. He was professor in the Department of Folk Culture of the National Museum of Japanese History 1982--88, professor at the International Research Center for Japanese Studies 1988--97, president of Hakuho Women's College 1997--2000, and director of the Kyoto University of Art and Design Graduate School 2000--2001. He has been director general of the International Research Center for Japanese Studies since 2001. He is professor emeritus of the National Museum of Japanese History, the International Research Center for Japanese Studies, and the Graduate University of Advanced Studies. His fields of specialization are religious studies and the history of thought, and he has a special interest in comparative religions and civilizations. His many works include *Rinshi no shiso* (Critical Problems in Facing Death), *Nihonjin no shukyo kankaku* (The Religious Sensibilities of the Japanese), *Aku to ojo* (Evil and Rebirth), and *Kindai Nihonjin no biishiki* (The Ethics and Poetics of the Modern Japanese).

home in the land. So the Yasukuni Shrine issue shouldn't be discussed too much in political terms, nor should it involve ceremonious visits by the prime minister. It's not something we should have to make excuses for either at home or abroad.

**Tabuchi:** Last year, around the time when Prime Minister Jun'ichiro Koizumi's visit to Yasukuni Shrine was causing a flap in China, I



went to China to lecture. After a lecture at Lanzhou University the students asked me what I thought of the prime minister's Yasukuni visit. I replied, "Japan waged war against your country. But almost all my friends died in that war. All their spirits are enshrined in Yasukuni Shrine. As a survivor, normally I'd have to visit each and every one of their graves, but I can't do that every year."

**Yamaori:** That may be the best way to reply. But the reaction might have been different at Lanzhou University and Peking University. At the International Research Center for Japanese Studies, which I head, there's a visiting professor from Peking University. He says that the Chinese don't forgive the dead. They continue to criticize those responsible for bad government and tyranny even after death. Japan, by contrast, has a civilization that forgives the dead. This is a big difference. Unless we begin by considering the Yasukuni Shrine problem in the light of the difference between Chinese and Japanese civilization, we'll never reach fundamental mutual understanding.

**Tabuchi:** Apparently Prime Minister Koizumi has said he'd like to build a war memorial where heads of government and other dignitaries from foreign countries can go in good conscience to lay wreaths and so on, but I have a feeling that doing this would confuse the issue still further.

**Yamaori:** I agree. Because mourning is first and foremost a religious act. So mourning without religion is contradictory.

By the way, do you think Japan's stalled economy will continue that way indefinitely?

### It's time to return to the idea that all things have life

**Tabuchi:** This is due to a deflationary spiral. But Japan is only leading the way; I think deflation

will spread the world over. So broadly speaking, things won't improve. Deflation is due to a very simple relationship, high supply and low demand. Because of technological advances supply grows indefinitely, but since people can't keep pace, demand doesn't grow. That's why I feel deflation will pervade the world.

What makes the situation especially bad in Japan is the "land myth" created here. On the grounds that land can be neither imported nor exported, land prices rose rapidly. But if we look at Britain a century ago, we see that it's a fallacy to think land can't be imported. Because the price of British wheat rapidly rose, they changed the regulations to allow wheat to be imported. Importing wheat is the same, in effect, as importing land. Because this wasn't understood in Japan, land prices were jacked up to absurd levels. This I think is why Japan is experiencing the world's most severe deflation.

**Yamaori:** There's a history of economic recovery thanks to special procurements upon the outbreak of war. I wonder what impact the Iraq war will have on the world economy.

**Tabuchi:** There have been times when inflation accompanied war booms and the economy picked up. In the past war was extremely costly, what with tanks, artillery, supplies, and so on. Recent wars, however, don't cost so much. At present, all you need is nuclear bombs. Nuclear bombs are cheap. So maybe Einstein is ultimately to blame for world deflation.

**Yamaori:** That's an interesting point of view. Does this mean the Iraq war will have absolutely no positive effect on the economy?

**Tabuchi:** I wouldn't say absolutely none, but I don't think there'll be much of an effect.

**Yamaori:** The fact that inflation has prevailed ever since ancient Rome means people have continued to raise their standard of living, doesn't it. Civilizations may have

perished, but people's economic life as a whole has kept improving.

**Tabuchi:** Averaging things out over the long term, that's so.


**Yamaori:** I wonder if this will change in the twenty-first century or whether we'll see a return to an inflationary trend.

**Tabuchi:** I imagine it'll return in 50 or 100 years—around the time when the economic growth of China and the country or countries that succeed it plateaus and their wages reach world levels.

**Yamaori:** But Lester Brown has predicted that around 2030 China will no longer be able to feed itself and will start importing food. He has warned that since there are no countries that can export enough food for such a huge population, the world as a whole will approach famine.

**Tabuchi:** Around 1935 people began saying petroleum would run out in 40 years, but that still hasn't happened. Today people are saying we mustn't eat genetically modified foods, but I suspect that thanks to genetic engineering harvests will increase dramatically.

**Yamaori:** Whatever the facts may be, the question is what way of thinking will make people happy. I think if the Japanese lowered their standard of living and raised another kind of added value they would be more creative and richer in the true sense of the word. I believe having a culture with added value would propel Japan into the top rank of the world.

As I said earlier, 5,000 or 10,000 years ago people had no religious doctrines or religious founders, and had no aggressive sense of mission. In a most natural way they shared the idea that all things have life. In future, it seems to me, the only way to live is once again to share this idea in a natural way. I feel that Japan is best suited to sending out that message. Japan must urge on the world a new globalization based on Eastern or Japanese values. 

# The shifting interface of science and technology and society

*Issues raised by the decoding of the human genome*

By Tomoatsu Shibata  
Chief Program Officer  
The Sasakawa Peace Foundation

## The unavoidability of value judgments

On April 14, 2003, completion of the decoding of the human genome was announced by the leaders of six nations, including Japan. This accomplishment will move competition among developed countries to a new phase. Competition to develop tailor-made treatment—the most appropriate treatment for individual patients, based on their genetic information—and “genomic drugs”—new drugs based on human genome information—will intensify. Genetic testing and genetic treatments are also likely to become more commonplace.

Access to sophisticated treatments based on individuals' genetic information is desirable from the viewpoint of improving public health, and the creation of new biotechnology industries should be highly welcome. At the same time, however, we must realize that in the wake of the decoding of the human genome the issue of “values” is one that society cannot avoid facing, and that individual judgment will carry greater weight than ever before.

## Dilemmas created by increased options

Let us consider a hypothetical case. Say that the gene sequence predisposing to a particular form of cancer is isolated and that through genetic testing you are found to carry it. You immediately face the problem of whether you should tell your immediate family and other relatives. Since many genes are shared by blood relatives, if you carry the gene sequence for a particular form of cancer, the

odds are high that other family members will, too. If they are notified, they can take measures to prevent the cancer from developing and thus may be saved from a life-threatening disease. But genetic information is also the ultimate personal information. No one can reasonably criticize you for deciding not to share such information with other family members because of the risk of your own genetic information being “leaked.” And yet, if you do not pass on this information, other family members cannot take preventive measures and may be attacked by cancer.

The former choice is underpinned by the concept of the public interest, the latter by the concept of individual rights. Both concepts are complete in themselves and have quite a high degree of universality. Neither can be rationally judged to be superior to the other. Therefore how to strike a balance between the concepts of the public interest and individual rights is ultimately a matter of values. What process should Japanese society follow to form a social consensus in such cases? This is not the kind of thing that can be left to a handful of experts.

On the basis of this way of thinking, SPF initiated three projects concerning bioethics in fiscal 2003: Developing Methods of Promoting Civic Participation in Science and Technology, Capacity Building of Bioethical Committees, and Developing Teaching Materials on Bioethics. The first project, as its name indicates, highlights civic participation. In Western countries consensus councils have long been used as a method of civic participation; this project aims to design and develop new civic participation methods and to experiment with councils involving civic participation with regard to fertility treatments and organ transplantation.

The second project explores the

question of the kinds of social mechanisms that safeguard controls and guidelines. Even the best controls and guidelines are worth little more than the paper they are written on without social mechanisms to safeguard them. The third project addresses bioethics education, since the advance of genetic testing, fertility treatments, and so on makes the judgment of not only experts but also ordinary citizens extremely important. (Details of the projects can be found on the SPF website, [www.spf.org](http://www.spf.org).)

## Global issues regarding the intellectual property rights system

One more thing needs to be remembered when thinking about the relationship between science and technology and society: issues of intellectual property rights. The granting of exclusive intellectual property rights is justified on the grounds that this provides an incentive to invention and thus spurs technological innovation, which is ultimately in the public interest. But this system rests on a delicate balance between the public interest and private interests. As Western researchers have pointed out, once this balance is lost, the problem of the “anticommons tragedy” arises, which impedes technological innovation.\*

In Japan, there is a tendency to discuss the intellectual property rights system from the viewpoint of industrial promotion alone. But various issues that go to the heart of the system are to be found around the world, such as the treatment of traditional knowledge in developing countries (SPF has awarded a grant to the University of London for research and analysis in this area) and issues surrounding the copying of AIDS drugs. And as pointed out in the

Following article, there are many issues at the interface of bioethics and intellectual property rights. We hope that in future these sorts of global

issues will be widely discussed and debated in Japan.



\* The "anticommons tragedy" refers to the

danger that private ownership of research findings and abuse of intellectual property rights will hinder the utilization of useful research findings and technologies.

## Bioethical issues in intellectual property rights

*This report was prepared by Kathy Liddell, Research Coordinator, Faculty of Law, University of Cambridge, on behalf of the project team. The other members of the team are Prof. William R. Cornish, Project Leader, Faculty of Law, University of Cambridge; Dr. Margaret Llewelyn, Project Leader, Faculty of Law, University of Sheffield; and Dr. Mike Adcock, Research Associate, Faculty of Law, University of Sheffield. The project team wishes to express its gratitude to the round-table participants for sharing their time and expertise, and to the Cambridge Genetics Knowledge Park for its support.*

Since 1990 scientists have been working on the Human Genome Project in an effort to publish a blueprint of the human genome.<sup>1)</sup> This has led to an explosion in the number of patent applications claiming human gene sequences and human proteins. It has also fueled much debate about the ethics of owning and commercializing genetic research.

Each validly granted patent gives the patent holder the right to prevent unlicensed manufacture, use, importation, or sale of the patented gene for up to 20 years.<sup>2)</sup> This is obviously a very powerful right. But in order to qualify, the patent claim must involve an inventive step, be novel, be useful or have industrial application, and be fully disclosed in the patent application. Each of these requirements is the subject of much legal debate, particularly because gene sequence patents border on being mere discoveries of nature with unknown functions.

### Pros and cons of gene patents

Legal arguments about these issues are important, but they are not going to settle the controversies that surround gene patents. In the field of medicine the patent system is designed to stimulate scientific inventions that improve human health and well-being. Hence ethical arguments play a major part in the debate. Moreover, in many countries a patented invention must not be contrary to morality, or what is called

will, be solved. *The more difficult problems are moral and political.*<sup>3)</sup>

The basic problem is how to secure the benefits of genome research for humankind as a whole, while at the same time rewarding those who give their time, money, and cleverness to the pursuit of new and useful knowledge. A number of ethical arguments have been made against gene patents:

- Gene patents prevent or hinder the development of new or improved medicines and treatments. They are too expensive for many researchers, and involve them in time-consuming license negotiations.
- Gene patents limit people's access to health care because they increase the cost of diagnostic tests and medical treatments for certain diseases.
- Gene patents are unfair because they give a minority of people the right to exploit genes that belong to humankind as a whole.
- Gene patents inhibit the free exchange of information between researchers because they must keep their knowledge secret until they have filed the patent application.

Conversely, it is argued that if gene patenting is prohibited far fewer people will be willing to invest in this financially risky research, and as a consequence genetic research will be impeded. It is also said that free exchange of genetic knowledge between researchers will be ham-

pered because researchers will rely on confidentiality and trade secret laws to protect their work. Furthermore, some people argue that it is unfair and unwise to govern genetic research with special rules that might equally apply to other kinds of patents, including pharmaceutical patents.

pered because researchers will rely on confidentiality and trade secret laws to protect their work. Furthermore, some people argue that it is unfair and unwise to govern genetic research with special rules that might equally apply to other kinds of patents, including pharmaceutical patents.

### International meeting on ethical issues

Ethical issues raised by biotechnology patents have been the subject of much discussion and many reports.<sup>4)</sup> However, amid all this debate, little attention has been given to philosophical, intercultural, and theological perspectives. This is a serious omission if patent laws are to be internationally democratic and fair.

Therefore it was with pleasure that we accepted SPF's invitation to hold a series of international meetings to address this imbalance. As part of this, we organized a round-table meeting on March 28 and 29, 2003, under the title "Bioethics and Intellectual Property Rights." Held in Cambridge, the meeting was an opportunity for invited delegates from Asia, Europe, and the Middle East<sup>5)</sup> to discuss the ethical problems of biotechnology patents from the perspective of different cultures, religions, and bioethical theories.

The meeting was structured around the following themes:

- **Theme 1:** theological and intercultural interpretations of the *ordre public* exception to patentability
- **Theme 2:** the moral importance of obtaining prior consent to patent genes obtained from research participants
- **Theme 3:** interpretations of novelty and inventiveness in gene sequence patents
- **Theme 4:** the fairness of patent monopolies granted over genetic research tools
- **Theme 5:** the effect of gene-



related patents on just and fair health care.

Theme 1 was the most challenging and unusual part of the two-day debate. Professor Roger Brownsword argued that it was both essential and inescapable for lawyers and lawmakers to appreciate the connections between law and bioethics in patent systems. He suggested that an interpretation of *ordre public* might be guided by “common cultural morality” or “critical reasoned morality.” This stimulated a variety of thoughts from a panel of international speakers.

Dr. Tanit Changthavorn and Dr. Jade Donavanik discussed animal and plant patents from a Thai Buddhist perspective. Dr. S. Mohammad Seyyed Fatemi and Dr. Mirghasem Jafarzadeh spoke about embryo stem cell patents from the perspective of Iranian Muslims.

These speakers drew attention to the uneasy relationship that exists between their countries’ main religions and Western patenting traditions. Contributors from the United Kingdom contrasted utilitarianism, human rights theory, “new dignitarianism,” and Christian theology.<sup>6</sup> Their comments showed that there is a diverse set of views about the *ordre public* exception in Western countries as well, and identified key areas for further discussion and evaluation.

A number of other messages emerged from the round table. One message, particularly expounded by Dr. Bart Claes, the representative from the European Patent Office, was that nations should not underestimate the patent system’s ability to

adapt to the ethical and social dilemmas of gene patents. The patent system was designed to distribute property rights in new scientific technologies. Hence radical reform is probably undesirable and unnecessary.<sup>7</sup> Patent offices and courts might instead check that biotechnology patents are truly inventive and that usefulness has been adequately demonstrated. Furthermore, governments might, after due reflection and negotiation (and mindful of the constraints imposed by the TRIPs Agreement), use compulsory licensing and crown or government acquisition powers to prevent patent holders from unfairly hindering affordable health services.<sup>8</sup>

A second message was that while the biomedical debate on “morality” has increasingly concentrated on issues relating to consent, “informed consent” is not necessarily *the* fundamental moral value that distinguishes a moral patent from an immoral one. There are philosophical reasons for doubting that an individual has a right to control “their” genetic sequence once it is removed from their body.<sup>9</sup> Social research also shows that implementing a consent-based system can be exceedingly difficult.<sup>10</sup> It may be more important to base patent policy upon citizens’ reasonable deliberations about what would be fair, moral, and practical.<sup>11</sup>

By the end of the meeting, it was abundantly clear that there was much support for closer intellectual collaboration between those responsible for overseeing the operation of the patent system (patent officials, practitioners, and academics) and those who study the operation of the law and genetic technology within its social and philosophical context.

Furthermore, it was apparent that, because of the international nature of science and law, it is important to look beyond local legal and ethical issues. Such dialogue is

not only intriguing and challenging. It constructively improves our understanding of the law governing intellectual property and the human genome, and most importantly the law’s development.

The project team was pleased to find strong support for continued cross-disciplinary dialogue at the international level. We thus look forward to building on the success of this first meeting. Our website ([www.ipgenethics.org](http://www.ipgenethics.org)) will continue to expand as we add papers from the first meeting and new links.



Professor William R. Cornish, right, of the University of Cambridge, poses with meeting participants from Thailand.

<sup>1</sup> The first draft was published in February 2001: *Science* (2001) 291, 1155; *Nature* (2001) 409, 813. A final version was announced on April 14, 2003: see [www.sanger.ac.uk/Info/Press/2003/030414.shtml](http://www.sanger.ac.uk/Info/Press/2003/030414.shtml).

<sup>2</sup> A patent lasts for up to 20 years from the date of filing in the United Kingdom and Japan. The duration of a patent varies in other countries.

<sup>3</sup> Lord Scarman (extrajudicially) in Deryck Beyleveld and Roger Brownsword, *Mice, Morality and Patents* (London: Common Law Institute of Intellectual Property, 1993), foreword. (Emphasis added.)

<sup>4</sup> See, for example, *The Ethics of Patenting DNA* (London: Nuffield Council of Bioethics, 2002); *Integrating Intellectual Property Rights and Development Policy* (London: Commission on Intellectual Property Rights, 2002); William Cornish, Margaret Llewelyn, and Mike Adcock, *Intellectual Property Rights and Genetics* (London: United Kingdom Department of Health, 2003); *Draft Report on the Follow-up of the International Symposium on “Ethics, Intellectual Property and Genomics”* (Paris: UNESCO, 2001); *Patenting of Higher Life Forms* (Ottawa: Canadian Biotechnology Advisory Commission, 2002).

<sup>5</sup> Due to unforeseen circumstances, most notably the international conflict in Iraq, our Japanese participants were regretfully unable to attend. Nonetheless their papers were circulated and read with interest.

<sup>6</sup> Contributions from Dr. John McMillan, Prof. Roger Brownsword, and Rev. Dr. Donald Bruce.

<sup>7</sup> Contributions from Dr. Bart Claes, Justin Turner, Dr. Tim Roberts, and Dr. Anna Denholm.

<sup>8</sup> Contributions from Dr. Margaret Llewelyn, Tor Lezmore, and Dr. Richard Ashcroft.

<sup>9</sup> Contributions from Dr. Graeme Laurie and Dr. Bronwyn Parry.

<sup>10</sup> Contributions from Dr. Bronwyn Parry and Dr. Graham Duffield.

<sup>11</sup> Contributions from Dr. Bryn Williams-Jones, Prof. Derek Morgan, and Rev. Dr. Michael Reiss.

# “Percentage laws” and the Sasakawa Central Europe Fund

*Hungary’s experience and its transfer to neighboring countries*

In many countries, people who donate money to benefit society and people receive incentives in the form of tax deductions. Only people who dip into their own pockets, however, are eligible for such deductions.

But Hungary’s groundbreaking “1% Law,” enacted in 1996, enables all taxpayers to donate 1% of their income tax to a charity of their choosing without being further out of pocket. Percentage laws, which return the right to determine distribution of a portion of income tax to citizens, serve both to provide a new source of funds to the third sector and to forge links between citizens and nonprofit activities.

The Sasakawa Central Europe Fund has contributed to spreading knowledge of Hungary’s 1% Law within the country by supporting the project Network of Regional Civil Information Centers, which is administered by the Nonprofit Information and Training Centre (NIOK), from fiscal 1997 through fiscal 2000.

In the two years that have passed since the con-

clusion of the project, Lithuania, Poland, and Slovakia have passed their own percentage laws, and other countries in central, eastern, and southern Europe have shown interest in similar legislation. Despite these gains, more than six years after the enactment of Hungary’s 1% Law percentage laws remain little known.

To further expand awareness, the Sasakawa Central Europe Fund has decided to support the Promotion of “Percentage” Philanthropy in Central and Eastern Europe, another NIOK-administered project beginning in fiscal 2003.

We hope that dissemination of the knowledge of percentage laws gained through the experiences of Hungary, Lithuania, Poland, and Slovakia, including the process leading to enactment of such laws and the lessons learned, will lead to further transnational transfer of the innovative idea of percentage laws.

*(Naotaka Oh, Associate Program Officer, Sasakawa Central Europe Fund)*

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By Marianna Torok

*Director*

*The Nonprofit Information and Training Centre (NIOK)*

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## NIOK’s “1% Campaign” to encourage giving

Hungary is a postcommunist country in Central Europe where the salaries are low. Local private resources for nonprofit organizations are limited. The average NPO has an annual budget of about US\$50,000, employs one or two people, and has many volunteers.

There used to be a strong civil and philanthropic life before World War II, but by 1989 most of it had faded. The Nonprofit Information and Training Centre (NIOK) was founded in 1993 with the mission of revitalizing civil life in Hungary by strengthening civil society through the activities of NPOs and setting up a support system facilitating their long-term operation. NIOK

devises programs that improve the work of NPOs, enhance their professionalism and effectiveness, and strengthen the nonprofit sector’s links to local government, the business sector, and society as a whole.

### The 1% Law

A way was opened for NIOK to assist the process of attracting new financial resources to the nonprofit sector when in December 1996 the Hungarian parliament enacted the so-called 1% Law to encourage giving.\* This law allows taxpayers to donate 1% of income tax to a charity of their choice, provided that it complies with certain legal requirements. The law thus enables taxpayers to contribute to the third sector and to exercise choice as to what they wish to support. If they decide not to take the 1% option, all their income tax goes to the state.

Taxpayers can donate 1% to an NGO, a national institution, a pub-

lic foundation established by the central government or a local government, a governmental program (such as a program for higher education), or a cultural institution of local interest maintained by a local council. Taxpayers can also donate another 1% to a church as an institution or to a defined aim of the national budget, such as help for disadvantaged families. This policy has the potential to unlock at least 6.5 billion HUF (31 million US\$) for Hungarian charities. To encourage taxpayers to take advantage of the 1% Law and thus benefit the nonprofit sector, NIOK has run a campaign every year since 1997 to promote the law. A grant from the Sasakawa Central Europe Fund has helped the campaign.

### The 1% Campaign

The 1% campaign’s objectives are to ensure that everyone who is eligible to donate 1% is aware of the



opportunity and that everyone who wants to donate 1% knows how to do so, to give taxpayers freedom of choice by providing information on the nonprofit sector, to raise awareness of the needs of NPOs, to achieve equal opportunities for the nation's civil society organizations, and to encourage giving.

The campaign's tools include a free telephone information line, a national public information campaign, and an Internet database. The 2003 campaign has been the most successful so far, with NIOK able to assist about 200,000 people to allocate 1% of income tax to a charity of their choice.

According to a survey conducted with the support of the Aspen Institute, most Hungarians are aware of and agree with the aims of the 1% Law. Nevertheless, only about a third of taxpayers avail themselves of this opportunity. The most frequent reasons given for deciding to designate 1% are the wish to help people in need, especially poor, sick, and disabled people and disaster victims, and to support a specific field of activity (mainly health care, social services, and education).

Less often mentioned reasons include the wish to promote values or express solidarity, support for children, support for a special group of organizations, personal interests or involvement, the solution of social and economic problems, and the organizational excellence of the beneficiaries.

The survey results show that the level of education is crucial to involvement in 1% giving. People with a higher education degree tend to allocate 1% every year, while those who have not even completed primary school tend not to use this opportunity at all. Participation is stronger in towns than in other municipalities. And as might be expected, members of voluntary associations and foundation boards are much more likely to use this and other giving oppor-

tunities than people who are less involved in charitable work. Since women are more enthusiastic donors than men in any case, it is not surprising that they are more willing to utilize the 1% giving opportunity too.

The 1% giving of citizens is much more diverse than state redistribution, which can directly support only a limited number of NGOs. Thus the 1% Law makes the redistribution of public funds available to a much larger segment of civil society organizations.

The overall amount raised by 1% giving is not that large, since salaries—and thus 1% of individuals' income tax—are low. Still, the law has a number of benefits: it encourages giving and participation in civil society, allows individuals to make a choice, demonstrates public support for NGOs, encourages interaction between citizens and NGOs, brings revenues to NGOs, and provides a learning field for true private giving.

### **A regional ripple effect**

Hungary's experience with the 1% Law has attracted interest from several other countries. NPOs in these countries have decided to follow Hungary's example, working with their legislative bodies to pass laws based on the same principle. NIOK has offered assistance and partnership to these organizations by sharing information and experience, arranging study visits, and assisting lobbying efforts.


As a result, the Forum Information Centre (FIC) in Slovakia has succeeded in implementing a "percentage law" similar to Hungary's, and in Poland, the 1% Law was passed by Parliament in April 2003 and will be implemented starting January 2004. Moreover, the Nongovernmental Organization Information and Support Centre (NISC) in Lithuania has lobbied successfully for passage of a

2% law.

NIOK, together with FIC and NISC, has developed a project to collect and make available information and provide assistance to organizations in Eastern and Central Europe interested in developing and implementing percentage laws, as well as facilitate exchange of expertise among these organizations. Following a series of discussions the Sasakawa Central Europe Fund has agreed to join in this regional project and provide financial assistance to it, thus once again becoming a supporter of the percentage law in a different dimension.

In the coming year we hope to collect the lessons learned during the process of developing and implementing percentage laws (including various methods of lobbying, campaigning, and implementation, as well as their effects) and compile an English-language report.

We also plan to disseminate information and findings through participation in international forums and the creation of an English-language website on the issue, facilitate dialogue between NGOs and policymakers by organizing an international conference on the issue, and provide immediate professional assistance upon request to NGOs interested in lobbying for and implementing percentage laws in their own countries.

Our hope is that after the first year the project will be able to assist other countries, such as the Czech Republic and Estonia (and other interested parties that have the capacity), to work for the implementation of percentage laws. We expect to generate discussion and propose policies as well as educate the population in philanthropic behavior in resource-poor locations for the benefit of charitable organizations. 

\*For further information regarding the percentage law, see [www.onepercent.hu](http://www.onepercent.hu).

# FY2003 Program Agenda

Projects approved March, 2003

## Regular Projects

Project Name	Implementing Agency	Type	Year	Budget (¥)
Islam and IT Revolution	Institute of Egyptology, Waseda University (Japan)	G	3/3	5,000,000
Intellectual Property Right and Traditional Knowledge	Queen Mary Intellectual Property Research Institute, University of London (UK)	G	3/3	11,700,000
Bioethical Issues of Intellectual Property Rights	Intellectual Property Unit of Cambridge University Law Faculty (UK)	G	2/2	13,000,000
Developing Methods of Promoting Civic Participation in Science and Technology	Tokyo Denki University (Japan)	G	1/2	11,500,000
Developing Teaching Materials on Bioethics	Eubios Ethics Institute (Japan)	G	1/2	7,000,000
Capacity Building of Bioethical Committee	Liaison Association of Medical School's Ethics Committees (Japan)	G	1/3	9,100,000
Capacity Building for Development in Central Asia and Caucasus	SPF, Center for Effective Economic Policy (Uzbekistan)	SO/C	4/6	23,000,000
"Get Across the Voices of Asia" Program/Phase II	SPF, SPF-USA, Inter Press Service (Thailand)	SO/C	1/3	20,000,000
Genron NPO: Encouragement of Intellectual Debate and Its Dissemination to the International Community	Genron NPO (Japan)	G	2/3	10,000,000
Expert System on Armed Conflict	Asia Pacific Association of Japan (Japan)	G	3/3	4,000,000
Analysis of Collaboration between Market and Volunteer in Linux System	Global Business Research Center (Japan)	G	2/3	5,500,000
The Leadership for Environment and Development Program, LEAD Japan—Phase II	Keio Research Institute at SFC, Keio University Shonan Fujisawa Campus (Japan)	G	4/4	10,000,000
Improvement of PCNC's Certification/Evaluation System	Philippine Council for NGO Certification (PCNC/Philippines)	G	2/2	3,700,000
Preparation for Establishment of NPO-Related Graduate Courses	Japan NPO Research Association (Japan)	G	2/3	8,000,000
Program/Project Evaluation : A View from Other Side	The Center for Community Services, The Ateneo de Manila University (Philippines)	G	2/3	5,000,000
Studying a Satellite Account on Nonprofit Institutions and its Relation to the System of National Accounts in Japan	The Institute of Statistical Research (Japan)	G	1/2	8,500,000
Research for the Concept of Public-Interest and the Evaluation Standard of Public-Interest Corporations	The Japan Association of Charitable Organizations (Japan)	G	1/1	5,900,000

## The Sasakawa Pacific Island Nations Fund

Project Name	Implementing Agency	Type	Year	Budget (¥)
Exchange Media Personnel among the Pacific Island Region and Japan	SPF, Pacific Islands News Association (Fiji)	SO•C	4/5	5,400,000
Coconuts College of the Pacific	SPF	SO	4/5	1,700,000
Internet Course Development by School of Law of USP	University of the South Pacific (Fiji)	G	3/3	5,100,000
Forming a Distance Education Alliance for Progress in the Western Pacific	University of Guam (Guam)	G	3/5	9,100,000
Distance Education in the South-West Pacific Cultural Heritage Training	Australian National University (Australia)	G	3/3	8,400,000
Transcending Borders with Education On-Line	Micronesian Seminar (Micronesia)	G	2/3	3,900,000
Research Committee for Pacific Islands' Digital Opportunity	SPF	SO	2/2	5,200,000

## The Sasakawa Japan-China Friendship Fund

Project Name	Implementing Agency	Type	Year	Budget (¥)
Cultivating Specialists in International Security Issues	SPF	SO	5/5	7,100,000
Sasakawa Scholarship System for Chinese Students Studying Japanese, Phase II	China Association for International Friendly Contact (China)	G	4/5	4,800,000
Japan Visit Exchange Program for Young Students	China Association for International Friendly Contact (China)	G	5/5	3,900,000
21st Century Young Japan Researchers Forum	China Association for International Friendly Contact (China)	G	5/5	3,300,000
Program for Promoting Japan-China Exchange in the Field of Security	SPF	SO	1/3	32,000,000
Promoting Study Exchanges of Japan-China Security Issues	China Association for International Friendly Contact (China)	G	1/1	9,700,000
Japan Visit Exchange Program for Town and City Mayors	China Association for International Friendly Contact (China)	G	1/1	4,300,000
Japan-China Young History Researchers Conference	SPF, Arrangement Committee of Japan-China Young History Researchers Conference	SO•C	3/5	4,500,000
Promoting Evaluation for Development of Chinese Nonprofit Sector	Tsinhua University School of Public Policy & Management (China)	G	3/3	2,700,000
Promotion of Chinese Social Sector Reform	China Association for NGO Cooperation (China)	G	3/3	3,500,000

Note : G=Grant Project; SO=Self-Operated Project; C=Commissioned Project

## The Sasakawa Central Europe Fund

Project Name	Implementing Agency	Type	Year	Budget (¥)
Contemporary Japanese Studies at Central European Universities	SPF	SO	2/5	10,000,000
Promotion of Small Enterprises: Sharing Experiences between Japan and Central Europe	SPF	SO	2/2	12,000,000
Promotion of "Percentage" Philanthropy in Central and Eastern Europe	Nonprofit Information and Training Centre Foundation (Hungary)	G	1/3	7,100,000
Enhancing NGOs Through Environmental Activities	SPF	SO	4/4	13,700,000

## The Sasakawa Pan Asia Fund

Project Name	Implementing Agency	Type	Year	Budget (¥)
Young Leaders Exchange Program: Dialogue for Enhanced Partnership in the 21st Century	SPF	SO	5/5	15,000,000
Civilizational Dialogue: Promotion of Asian Intellectual Exchange and Mutual Understanding	SPF	SO	2/3	18,000,000
Russia and Japan in Asia	Japan Center for International Exchange (Japan)	G	2/3	13,000,000
Training to Prepare Cambodia for the ASEAN Free Trade Area (AFTA)	Faculty of Economics and Administration, University of Malaya (Malaysia)	G	2/2	5,200,000
Developing Marketing and Management Studies in Vietnam	Vietnam Marketing Association (Vietnam)	G	2/3	5,900,000
Human Resources Development in Myanmar	SPF, The Myanmar Times (Myanmar), Institute of Asian Studies, Chulalongkorn University (Thailand), Kyung Hee University (Korea), The Malaysian Institute of Economic Research (Malaysia), Civil Service Selection and Training Board (Myanmar)	SO•C	2/3	33,000,000
Developing Economic Forecasting Model in Laos	The Malaysian Institute of Economic Research (Malaysia)	G	2/3	8,400,000
Assistance for the Reform of Vietnamese Journalism Schools	School of Communication Studies, Nanyang Technological University (Singapore)	G	1/2	7,200,000
Research Capacity Building of Agricultural Economics in Vietnamese Universities	Hanoi Agricultural University (Vietnam)	G	1/3	5,900,000
Research Capacity Building of Economics in National University of Laos	De La Salle University (Philippines)	G	1/3	3,900,000
Evolving Approaches to Security in the Asia-Pacific Region	Institute of Defence and Strategic Studies, Nanyang Technological University (Singapore)	G	2/2	11,600,000
The Linkage of Economic Forecasting Model between Vietnam and ASEAN	The Development Strategy Institute (Vietnam)	G	2/2	6,500,000
Role of Mongolia for Peaceful and Stable Development of Northeast Asia/ Phase II	Mongolian Development Research Center (Mongolia)	G	1/3	7,800,000
Towards an Alternative Transitional Development State Paradigm	Faculty of Economics, Chulalongkorn University (Thailand)	G	1/2	13,000,000

## Regular Projects

Projects approved June, 2003

Project Name	Implementing Agency	Type	Year	Budget (¥)
A Vision for Enhancing Peace and Human Environment in the Middle East	Royal Scientific Society (Jordan)	G	2/3	13,000,000
Forum 2000: Bridging Global Gaps	Forum 2000 Foundation (Czech Republic)	G	1/2	14,300,000
Human Resource Development in Conflict Prevention Activity	The Japan Center for Conflict Prevention (Japan)	G	1/1	10,000,000
Comparative Studies of NGOs among China, Kazakhstan, Mongolia, and Vietnam	The Sasakawa Peace Foundation	SO•C	1/3	7,200,000
Research on Roles of Program Officer in Grantmaking System	The Sasakawa Peace Foundation	SO	1/3	4,500,000

## The Sasakawa Pan Asia Fund

Project Name	Implementing Agency	Type	Year	Budget (¥)
Enterprising Civil Society Organizations in Asia	Philippine Business for Social Progress (Philippines)	G	1/2	4,600,000
Capacity Building and Promoting Exchange of Central Eurasian Young Leaders	The Sasakawa Peace Foundation, EastWest Institute (USA)	SO•G	1/3	25,000,000
Central Eurasian Leadership Alliance	EastWest Institute (USA)	G	1/3	(13,000,000)
Security Threats in Afghanistan and South Asia – Implications for Japanese Policy	International Crisis Group (Belgium)	G	1/2	6,500,000



## SPF PUBLICATIONS

- *Come Together* — Published by the Foundation for Sustainable Society, Inc. Outcome of the fiscal 2000–2002 project Civil Society--Business Collaboration in Environmental Protection.
- *SLOVAKIA 2002: A Global Report on the State of Society* — Edited by Grigorij Meseznikov, Miroslav Kollar, and Tom Nicholson — published by the Institute for Public Affairs (available in English and Slovak) and *Slovak Elections '02: Results, Consequences, Context* — edited by Grigorij Meseznikov, Olga Gyarfassova, Miroslav Kollar, and Tom Nicholson, published by the Institute for Public Affairs (available in English and Slovak). Outcome of the fiscal 2002 project Global Reports on Slovakia: The 2002 Parliamentary Elections and the State of Society .
- *Small and Medium-sized Enterprises in Central*

*Europe: An Overview* — published by SPF (Internet on-demand publishing service BookPark [[www.bookpark.ne.jp](http://www.bookpark.ne.jp)]). Outcome of the Promotion of Small Enterprises: Sharing Experiences between Japan and Central Europe project.

- *Civilization Dialogue: Dialogue with Islamic World after September 11th* — published by SPF (Internet on-demand publishing service BookPark). Proceedings of the seminar of the same title organized by SPF, held on September 20, 2002.

- *Development Efforts in the Lao Economy: Policy Pointers from the Malaysian Experience* — published by the National Economic Research Institute (available in English and Lao). Outcome of the fiscal 1999–2001 project Strengthening Economic and policy Research in Laos.

## FROM THE EDITOR'S DESK

This issue of *SPF Voices*, the first for fiscal 2003, includes a feature on bioethics and intellectual property rights, one of the new themes addressed under the Operational Guidelines for the Third Midterm Program, 2000–2005. There has been a tendency to consider issues of bioethics and intellectual property rights solely in terms of the development of science and technology.

The Foundation, however, is supporting projects that focus on the way science and markets function, the ethical implications, and the place in all this of citizens. It will be interesting to see the outcomes, several years hence, of a number of projects in this area initiated this fiscal year.

*Akinori Seki*

### SPF Newsletter No. 37, FY 2003 Vol.1

- Published: July 2003 by The Sasakawa Peace Foundation
- Publisher: Akira Iriyama • Editor: Akinori Seki
- ©2003, The Sasakawa Peace Foundation

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*Please note: The views and opinions expressed in this newsletter are of the individual writers and do not necessarily reflect those of the Sasakawa Peace Foundation.*



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