



CIVILNET

Through its CivilNet Program, JCIE continues its long tradition of leadership in promoting the development of a vibrant civil society in Japan, Asia Pacific, and around the world. With more than three decades of experience in the field, JCIE finds itself in a unique position to create collaborative networks of civil society organizations worldwide and enhance cooperation among them in addressing common challenges.

One top priority of the CivilNet Program is the promotion of a broader and deeper understanding of civil society in Japan and around the world, particularly through research and dialogue projects designed to contribute to an enhanced role for civil society organizations in the governance of society. As one example, JCIE has been conducting a groundbreaking study of the role of philanthropy in strengthening postwar U.S.-Japan relations, drawing lessons on ways in which civil society can be instrumental in rebuilding and sustaining ties between nations.

Another important CivilNet objective is to promote dynamic and innovative approaches in the philanthropic sector. JCIE has a long record of facilitating philanthropic programs in Japan and Asia Pacific on behalf of domestic and overseas foundations and corporations. Over the past year, it has organized such creative new programs as SEEDCap and the Nipponkoa Grant Program.

JCIE also works to promote international outreach by Japan's civil society. This work involves the promotion of grassroots exchanges between Japan and other countries, as well as studies and dialogues that examine effective ways for local communities to turn globalization into a positive rather than a negative force. JCIE makes a special effort to encourage civil society leaders in Japan to work more closely with their counterparts in Asia Pacific and around the world in order to improve their effectiveness and heighten the potential contributions of the sector.

Promoting Understanding of the Role of Philanthropy and Civil Society

The Role of Philanthropy in Postwar U.S.-Japan Relations

After World War II, philanthropy played a critical, but often overlooked, role in driving the dramatic change in perceptions and values that enabled two bitter foes, Japan and the United States, to become the closest of allies. Since 2002, JCIE has been conducting a major study that examines the long-term impact of foundations and individual philanthropists, mainly in the United States but also in Japan, on the bilateral relationship. This project is designed to fill gaps in the knowledge of U.S.-Japan relations and shed light on the historic role of philanthropy and civil society in international relations. Building on extensive archival research and interviews, the team of in-house researchers and outside experts is examining the motivations of foundation personnel, the relationship between philanthropic activity and government policy, and the impact of philanthropic support in areas such as U.S.-Japan intellectual exchange, institution building in Japan, Japanese studies in the United States, and American studies in Japan.

Nearly 100 leaders from the fields of civil society, philanthropy, and government gathered at a major conference in Tokyo on October 4–5, 2004, to review the contributions of American and Japanese philanthropy to U.S.-Japan relations after the devastation of World War II and draw contemporary lessons from this experience. The conference, entitled “Lessons in Rebuilding Relations between Nations: The Role of Philanthropy and Civil Society in Postwar U.S.-Japan Relations, 1945–1975,” was the culmination of a series of workshops designed to enlist feedback for the project researchers and help promote discussion of their findings. It featured keynote speeches from Susan

Berresford, president of the Ford Foundation, and Sadako Ogata, president of the Japan International Cooperation Agency (JICA). The papers presented at the conference have been revised and compiled for publication in June 2006 in English as *Philanthropy and Reconciliation: Rebuilding Postwar U.S.-Japan Relations*. A Japanese edition of the book is scheduled to be published in early 2007 by Minerva Press.

Researchers and Topics:

The Role of Philanthropy in Postwar U.S.-Japan Relations, 1945–1975: An Overview

TADASHI YAMAMOTO, JCIE

The Role of Philanthropy and Civil Society in U.S. Foreign Relations

AKIRA IRIYE, Harvard University

U.S.-Japan Intellectual Exchange: The Relationship between Government and Private Foundations

MAKOTO IOKIBE, Kobe University

The Evolving Role of American Foundations in Japan: An Institutional Perspective

KIM GOULD ASHIZAWA, JCIE/USA

American Philanthropy in Postwar Japan: An Analysis of Grants to Japanese Institutions and Individuals

JUN WADA, JCIE; Kanda University of International Studies

Promoting the Study of the United States in Japan

JAMES GANNON, JCIE/USA

Understanding the “Other”: Foundation Support for Japanese Studies in the United States

KIM GOULD ASHIZAWA

The Development of Grassroots International Exchange in Japan and the Impact of American Philanthropy

TOSHIHIRO MENJU, JCIE

U.S.-Japan Business Networks and Prewar Philanthropy: Implications for Postwar U.S.-Japan Relations

MASATO KIMURA, *Shibusawa Ei'ichi Memorial Foundation*; Bunkyo Gakuin University

Japanese Philanthropy: Its Origins and Impact on U.S.-Japan Relations

HIDEKO KATSUMATA, JCIE

Collaboration with the Shibusawa Ei'ichi Memorial Foundation

The Shibusawa Ei'ichi Memorial Foundation honors the ideals that the Meiji-era entrepreneur and civic leader Ei'ichi Shibusawa advocated and practiced throughout his life by carrying out a wide range of activities to promote civilian diplomacy, social welfare, and public education. It operates three core programs—the Shibusawa Memorial Museum, a research program, and the Resource Center for the History of Entrepreneurship—that are designed to build upon the achievements and ideals of Shibusawa and to encourage the development of a dynamic society with a strong civil society at its core. The foundation's research department is working closely with JCIE on a number of fronts. The two organizations are partnering to promote the development of a stronger civil society in Japan and, going beyond this, to facilitate international exchange and collaboration through policy research and dialogue and the construction of institutional and personal networks among policy-makers, researchers, and civil society leaders in Japan and abroad.

Keio University Shibusawa Ei'ichi Memorial Lectureship—“The Doctrine of the New Public Good”

In FY2004, the Shibusawa Ei'ichi Memorial Lectureship was established at the Faculty of Law at Keio University with the sponsorship of the Shibusawa Ei'ichi Memorial Foundation. This for-credit course consists of a series of lectures, to be held every year

for a five-year period, that deal with the redefinition of the public good and the role of civil society. In 2004, JCIE and the Shibusawa Ei'ichi Memorial Foundation arranged 11 lectures with prominent speakers on the theme of “The Second Opening of Japan—Reenvisioning a New Nation-Building Effort.” Lecturers explored the nature of the public good, who should define it and take responsibility for realizing it, and the respective roles of civil society and government. The FY2004 lectures have been compiled and published as a volume by Keio University Press.

In FY2005, a series of nine lectures was held under the theme “Japan's Administrative Reform—Adjusting the Division of Labor between the Government and Civil Society,” and those presentations will also be published. The topics and speakers from each year are listed below.

FY2004 Lectures:

Civil Society as the New Overseer of the Public Good: Framework and Objectives of the Shibusawa Ei'ichi Memorial Lectureship

TADASHI YAMAMOTO, *President, JCIE; Visiting Professor, Keio University*

The Contemporary Significance of Shibusawa Ei'ichi's Lifework

MASAHIDE SHIBUSAWA, *Director and CEO, Shibusawa Ei'ichi Memorial Foundation*

Fostering the Individual and Creating a New “Public”
YOICHI FUNABASHI, *Chief Diplomatic Correspondent and Columnist, Asahi Shimbun*

Civil Society's Global Contributions

KENSUKE ONISHI, *Representative, Peace Winds Japan*

Japan's Contribution to Global Governance and Working with the United Nations

YASUSHI AKASHI, *former Under-Secretary-General of the United Nations*

Human Security as the New Framework of Japanese Diplomacy

KEIZO TAKEMI, *Member, House of Councillors*

Development of Welfare Policy and the New Public Good

TSUTOMU HOTTA, *President, Sawayaka Welfare Foundation*

Learning from Shibusawa Ei'ichi: How to Create Effective Educational and Social Welfare Systems

MASATO KIMURA, *Professor, Department of Business Administration, Bunkyo Gakuin University; Director, Research Department, Shibusawa Ei'ichi Memorial Foundation*

Shibusawa Ei'ichi and Fukuzawa Yukichi: Human Resource Development in a New Era

MAKOTO IOKIBE, *Professor, Graduate School of Law, Kobe University*

Business and the Public Good

GLEN S. FUKUSHIMA, *President & CEO, Cadence Design Systems Japan*

A Business View on the Urgency of Administrative Reform

YUZABURO MOGI, *President & CEO, Kikkoman Corporation*

FY2005 Lectures and Seminars:

The Relationship between Politicians and the Bureaucracy in Administrative Reform

KOICHI KATO, *Member, House of Representatives*

Japan's Administrative Reforms

GERALD CURTIS, *Burgess Professor of Political Science, Weatherhead East Asian Institute, Columbia University*

A Historical Analysis of Administrative Reform and the Issues Ahead

TAKESHI SASAKI, *former President, University of Tokyo*

Administrative Reform and Decentralization—A Local Government Perspective

SHIGEFUMI MATSUZAWA, *Mayor, Kanagawa Prefecture*
HATSUHITO ISOZAKI, *Professor, Faculty of Law, Chuo University*

Reform of Public Interest Corporations—An NPO Perspective

TATSUO OHTA, *President and CEO, Japan Association of Charitable Organizations*

AKIRA MATSUBARA, *Executive Director, C's (Coalition for Legislation to Support Citizens Organizations)*

Reflections on Nakasone's Administrative Reform

YASUHIRO NAKASONE, *former Prime Minister*

TAIZO YAKUSHIJI, *Executive Research Director, International Institute for Policy Studies; Professor, Political Science, Keio University*

Promoting University-Based Lectures and Research on Civil Society

General interest in the nonprofit and philanthropic sector has grown dramatically in recent years in Japan, and an increasing number of university courses are being offered on the topic of civil society. Nevertheless, research and teaching in the field is not yet being undertaken in a systematic fashion. In order to explore effective methods of institutionalizing university research and teaching on civil society in Japan, JCIE, with the support and cooperation of the Shibusawa Ei'ichi Memorial Foundation, undertook a survey project examining the study of university nonprofit study centers in the United States. Over the past several decades, a number of interdisciplinary centers for the study of civil society and philanthropy have been established in universities around the United States in response to student interest and societal needs. This research project examined selected university institutes and research centers with particularly strong records of success, with the aim of exploring how universities in Japan might also provide effective research, education, and training on philanthropy and civil society.

Promoting Dynamic, Innovative Approaches to Philanthropy

Levi Strauss Foundation Advised Fund of JCIE

Levi Strauss & Co. has long been recognized for its extremely active corporate philanthropy program, which provides support not only for various causes in the United States, but also in countries worldwide where it has offices and factories. In 1997, Levi Strauss & Co. joined forces with JCIE to create one of the first donor-advised funds in Japan. Under this arrangement, the Levi Strauss Foundation provided annual grants to JCIE, which in turn redistributed the funds to NGOs in Japan according to guidelines set by the Levi Strauss Foundation. In FY2004, grants totaling ¥12.2 million (approximately \$114,000) were provided to 10 nonprofit organizations to support activities designed to prevent the spread of HIV/AIDS, help the underprivileged achieve economic independence, and provide capacity-building support to organizations whose activities fall within these areas. Those grants are listed below.

This advised fund was continued through FY2004, after which it was closed. In seven annual grant rounds, \$1,128,600 was distributed to 133 Japanese nonprofit organizations. From November 2004 to October 2005, with funding from the Levi Strauss Foundation, JCIE carried out an evaluation that looked at the impact of the Levi Strauss Foundation Advised Fund on Japanese foundations and other grant-making programs, the impact on grantees, the relative advantages and disadvantages of the advised fund compared with other grant programs, and other lessons learned for the future development of NPO activities in Japan.

FY2004 Grants:

Preventing the Spread of HIV/AIDS

JAPAN AIDS & SOCIETY ASSOCIATION, <i>Tokyo</i>	¥1,000,000
JANP+ (JAPANESE NETWORK OF PEOPLE LIVING WITH HIV/AIDS), <i>Tokyo</i>	¥1,000,000
CHARM (CENTER FOR HEALTH AND RIGHTS OF MIGRANTS), <i>Osaka</i>	¥1,300,000
SWASH (SEX WORK AND SEXUAL HEALTH), <i>Tokyo</i>	¥1,500,000
CAI (CAMPUS AIDS INTERFACE), <i>Tokyo</i>	¥700,000

Achieving Economic Independence

TOKYO ALIEN EYES, <i>Tokyo</i>	¥1,000,000
NGO NETWORK FOR FOREIGNERS' ASSISTANCE KOBE, <i>Hyogo</i>	¥1,000,000
HOMELESS SUPPORT NET NIIGATA	¥1,500,000
YOUTH SUPPORT CENTER, <i>Tokyo</i>	¥1,500,000

Capacity Building

CHIIKI SEIKATSU SHIEN (REGIONAL SUPPORT) NETWORK/WOMEN'S NET, "SAYA-SAYA," <i>Tokyo</i>	¥1,700,000
---	------------

Social Entrepreneur Enhanced Development Capital Program

The Social Entrepreneur Enhanced Development Capital Program (SEEDCap) Japan, a funding initiative that was launched in 2004, serves as a new model for nonprofit financing in Japan, where funding can be especially difficult to obtain. Through an innovative arrangement that was conceived by the investment advisory firm Shibusawa and Company, Voyager Management, an American "fund of funds" investment company that aggregates and invests funds for

small and mid-sized hedge funds, has begun contributing 10 percent of the incentive fees from its transactions on behalf of several Japanese corporations to JCIE. This contribution is then re-granted by JCIE to exemplary Japanese nonprofit organizations that are chosen by a selection committee.

The first SEEDCap grant of several million yen was awarded to OurPlanet-TV, an independent media portal established in October 2001. OurPlanet-TV seeks to reflect the individual stories of ordinary Japanese by presenting Internet broadcasts from their viewpoints on issues such as human rights and the environment. The grant was made for the “Torch Project,” which enables young journalists, students, and activists to produce programs on the social problems they are working to alleviate. OurPlanet-TV provides technical support for production and then airs the programs on its website.

SEEDCap made its second grant to Florence, a Tokyo-based nonprofit organization, for a project on “Care for Sick Children: Building a Model Program.” With the increase in the number of two-income families in Japan, it is becoming difficult for parents to care for sick children, but Japanese society has been slow to respond to this issue. Florence uses existing networks and resources in communities to provide at-home care for sick children. With medical support from pediatricians, experienced child-care workers have created the “Children’s Rescue Brigade,” which provides one-on-one care for sick children in their homes. The project is already being implemented in two districts in Tokyo, and the organizers plan to use it as a model to be replicated in other parts of the country.

Nipponkoa Grant Program

In FY2004, the Nipponkoa Grant Program was initiated in partnership with Nipponkoa Insurance Company, through its Grant Club, which promotes and matches employee giving. In the first year, approximately ¥3,000,000 (roughly \$27,000) in grants was awarded to six Japanese nonprofit organizations carrying out activities in the fields of international exchange and cooperation involving other Asian countries, education, and women’s issues. Another ¥3,000,000 was granted in these fields in FY2005. JCIE managed the planning, operations, and selection process for the program. The program not only aims to make corporate grants to nonprofit organizations but also promotes collaboration between nonprofit organizations and corporations.

Facilitating the “Seeing is Believing” Initiative

Standard Chartered Bank launched its “Seeing is Believing” program in 2003, as one of its major global community programs. In 2005, JCIE began working with Standard Chartered to facilitate this program. The objective is to help alleviate blindness across the globe. Today, there are more than 45 million blind people in the world and the vast majority live in developing countries. Tragically, it is estimated that 80 percent of these people are needlessly blind, often because they do not have access to basic healthcare treatment. The program’s objective is to raise \$7.5 million, which would assist in restoring sight to 1 million people. JCIE has been managing the donations from Japan to this program, which go toward support for the work of such international organizations as Vision 2020 and Sightsavers International.

Promoting International Outreach by Japan's Civil Society

U.S.-Japan Sister City Exchange Revitalization Project

Sister city relationships have been central to U.S.-Japan grassroots exchange for years, but they are often criticized for not keeping up with the changing times. This project, which is being carried out in cooperation with the Japan Foundation Center for Global Partnership (CGP), has brought together a committee of 10 leaders in the field of grassroots exchange—two each from five localities around Japan that have exemplary sister city relationships with the United States—to discuss effective ways of revitalizing sister city exchanges.

In six committee meetings held around the country, members surveyed various types of exchange activities undertaken in sister city relationships (e.g., educational, cultural, business, issue-oriented, and Internet-based exchange) and traded views on the challenges facing sister city relationships. The findings were presented at a public seminar on March 5, 2005, held in cooperation with the Yokohama Association for International Communications and Exchange, and the report is available on JCIE's website. In March 2006, a handbook for sister cities with concrete examples of exchanges was published in Japanese by CGP and JCIE.

Sister City Relationships and Research Members:

Hanamaki (sister city: Hot Springs, Arkansas)

ICHIRO FUDAI, *Staff, Hanamaki International Exchange Association*

HISAKO KIKUCHI, *Representative, Hanamaki Good Will Club*

Yokohama (sister city: San Diego, California)

TAKASHI KONDO, *Assistant Manager, Office of International Relations, General Affairs Bureau, City of Yokohama*

AKIKO MURAI, *Chief Coordinator, Activity Support Division, Yokohama Association for International Communications and Exchange*

Kakegawa (sister city: Eugene, Oregon)

MASATOSHI HIRANO, *Adviser, Kakegawa International Center*

HIROYUKI MIZOGUCHI, *Vice President, Kakegawa International Friendship Association*

Gero (sister city: Ketchikan, Alaska)

SHOICHI FUJIKAKE, *Director, Regional Internationalization Support Center*

OSAMU SHIMIZU, *Former Superintendent, Gero Board of Education*

Okayama (sister city: San Jose, California)

YASUKO AKAMATSU, *Deputy Director-General, Interkids Okayama*

HISAKO KUNITOMI, *Board Member, Okayama International Friendship Association*

Building a Multiethnic Society and Revitalizing Local Communities

The number of foreign nationals residing in Japan has grown rapidly since 1980, accounting for 1.5 percent of the population in 2005. As a result, communities around Japan are finding that they need to rethink how they deal with non-native residents. In order to make them viable community members, it is important to create ways to utilize their potential and focus on the roles played by the actors who work as a

bridge between foreign and Japanese residents at the community level. With the support of the Shibusawa Ei'ichi Memorial Foundation, the project research team held an initial meeting of the researchers on February 23–24, 2005.

The researchers then began to focus on six cities with high concentrations of foreign nationals, holding workshops with community leaders, activists, and others who could offer insight into potentially effective approaches. Meetings were held on June 21–22, 2005, in the city of Tsuruoka, Yamagata Prefecture; on October 2–3, 2005, in Oizumi, Gunma Prefecture; and on February 23–24, 2006, in Kobe. Each meeting examined the situation and key issues in the locales being studied and the various organizations and mechanisms currently in place to facilitate relationships among community members from different cultural backgrounds. A report will be published in 2006.

Research Team:

MASAAKI ISHIHARA, *Director, Hamamatsu Foundation for International Communications and Exchanges (Hamamatsu, Shizuoka Prefecture)*

TOSHIHIRO MENJU, *Chief Program Officer, JCIE (Research Director)*

JUNKO NAKAGAWA, *Director, Nara NPO Plaza (Nara)*

ERIKO SUZUKI, *Gendai Advanced Studies Research Organization (Advisor)*

SHOKO TAKANO, *Chief Director, NPO Oizumi Center of International Education and Vocational Training (Oizumi, Gunma Prefecture)*

MICHELLE WANG, *Representative, Center for Multicultural Information and Assistance—Tokyo 21 (Tokyo)*

NASUKO YAMAGUCHI, *Vice President, Shounai International Exchange Association (Tsuruoka, Yamagata Prefecture)*

SHIZUYO YOSHITOMI, *President, Multilanguage Center FACIL (Kobe, Hyogo Prefecture)*

Connecting Civil Societies of Asia and Europe

Together with the Asia-Europe Foundation, Casa Asia, and the International Institute for Asian Studies, JCIE co-organized a major conference on June 16–18, 2004, in Barcelona, Spain, bringing together more than 180 civil society leaders from Asia and Europe to discuss strengthening nongovernmental ties between the two regions. Surin Pitsuwan, former minister for foreign affairs of Thailand, and Jan Paul Dirkse, director general, Constitutional and Royal Relations, Ministry of the Interior and Kingdom Relations, the Netherlands, gave keynote addresses, and the participants exchanged views in a series of thematic workshops (human rights and gender, environment and urbanization, education, interfaith and cross-cultural dialogue, and trade and development) and sectoral working group meetings (focusing on the media, NGOs, think tanks, labor unions, cultural institutions, and philanthropic and other civil society resource organizations). The conference recommendations were compiled in *The Barcelona Report* and presented to the Asia-Europe Meeting (ASEM) member governments in preparation for the October 2004 ASEM summit.

Japan-EU Grassroots Exchange Project for Community and Local International Cooperation

The Japan-EU Grassroots Exchange Project for Community and Local International Cooperation was held on July 9–17, 2005, as a collaborative effort by JCIE, the Japan Foundation, Links Japan, and the EU. This program was carried out as one of the Japan-EU People-to-People Exchange Year programs and was intended to deepen understanding of grassroots international cooperation activities and to explore the potential for a Japan-EU grassroots partnership for the betterment of people in developing

countries. It was designed to be the first step in a new collaboration between citizens of Japan and the EU for global action.

Five Europeans who are involved in grassroots international cooperation were invited to Japan. They visited Nagoya, Takikawa, Sapporo, Yokohama, and Tokyo, holding public seminars to share their experiences with Japanese audiences. They also exchanged views with Japanese NGO leaders. A report on the activities and the discussions is available on the JCIE website.

EU Participants:

SERENA FORACCHIA, *Head of International Project Division, Reggio nel Mondo, Italy*

NICK MAURICE, *Director, UK One World Linking Association*

PHILLIDA PURVIS, *Director, Links Japan, UK*

JOE SANG, *Chairman, Friends of GAA, UK*

PETER SLITS, *Consultant, Former Director of International Union of Local Authorities, Netherlands*

Involving Multiple Local Actors in Grassroots International Cooperation

In FY2005, JCIE was commissioned by JICA to undertake a yearlong project to examine successful cases of grassroots-level international cooperation activities. The objective was to explore the process and methodology for carrying out such cooperation with the involvement of diverse actors at the local level. Four areas were selected, each of which has a strong tradition of international cooperation, and a research committee was formed. Two-day meetings were held in each location and discussions were held with local participants in international cooperation activities to try to ascertain the particular characteristics and success factors of their activities.

An initial planning meeting was held on March 30–31, 2005, at JICA's Tokyo International Center. A second meeting was held in Takikawa, Hokkaido, on June 12–13, 2005. That was followed by meetings on August 8–9, 2005, in Takamatsu, Kagawa Prefecture; on November 13–14, 2005, in Nagaoka, Niigata Prefecture; and February 6–7, 2006, in Musashino, Tokyo. In addition to examining the significance of citizen-to-citizen, regional-level international cooperation, participants sought to better understand what is involved at the local community level when such projects are encouraged, and what benefits the activities bring to the community. They considered what policies might effectively encourage local international cooperation that involves multiple actors and what JICA's role might be in that process.

Providing Information and Analysis on Japan's Civil Society

Civil Society Monitor

JCIE's *Civil Society Monitor* newsletter serves as one of the only sources of English-language information on the current state of the Japanese nonprofit sector. It seeks to link Japan's nonprofit sector with the international community by reporting on current events and noteworthy activities and organizations in Japan's emerging civil society.

The ninth issue, published in June 2004, focused on the fundraising challenges facing Japan's nonprofit sector and the recent debate on reforms to the public interest corporation system in Japan. In April 2005, the tenth issue was published, featuring articles on the response from Japan's civil society to the tsunami relief efforts; trends among Japanese

international development NGOs; the launch of the Friends of the Global Fund, Japan; the latest developments in nonprofit sector reform in Japan; and the lessons to be learned from the postwar U.S.-Japan experience with regard to the role of civil society in promoting reconciliation in post-conflict situations. In October 2005, the eleventh issue appeared, focusing on how Japan's nonprofit sector is contributing to the fight against the HIV/AIDS epidemic and the challenges those organizations face in raising the necessary funding for their efforts. The issue also reported on proposed nonprofit sector reforms in Japan that deal with the issue of tax deductability.

Grassroots Network

In an effort to keep pace with the proliferation of local-level international activities in Japan, JCIE launched a "Grassroots Network" section on its Japanese website in 2002. In order to help build networks among domestic grassroots organizations, an online database was created that provides background information on major organizations around Japan that are involved in international activities. The database was revised in March 2005 and includes extensive information in Japanese on 337 organizations. Also, as part of the Grassroots Network initiative, JCIE has been publishing a monthly electronic magazine, *GrassNet*, on new trends, issues, and developments in the field of local-level international exchange and cooperation in Japan. Select articles have been translated into English and posted on JCIE's website as well. Five issues of the magazine, which reaches 1,700 subscribers and is available through the JCIE website, were published in FY2004 before it went on hiatus after issue 25.

Up-to-date information on trends and developments in Japan's civil society



Civil Society Monitor

Japan Center for International Exchange No. 9 June 2004

New Fundraising Initiatives Seek to Bolster Growth of Nonprofit Sector

NUMEROUS FUNDING CHALLENGES facing the growing nonprofit sector in Japan are prompting efforts to identify new and diverse ways of mobilizing resources. This issue of *Civil Society Monitor* outlines some of the deeply rooted funding issues, which stem from a combination of factors including a lack of professional fundraising personnel within nonprofit corporations (NPOs), a history of weak individual and corporate giving, and a longstanding trend of limited funding from foundations. These issues have grown increasingly pronounced as the size and breadth of the sector have expanded rapidly over the past decade.

Japan's nonprofit sector comprises several categories of nonprofit organizations, including public interest corporations (numbering about 26,000), social welfare corporations (about 18,000), religious corporations (about 100,000), and mutual benefit nonprofit organizations (approximately 500). "Specified nonprofit corporations" or "NPOs" (*NPO hojin*), established by the 1998 Law to Promote Specified Nonprofit Activities (NPO Law), represent one of the newer categories of nonprofits in Japan and numbered over 16,000 as of the end of March 2004. In light of the fact that the incorporation system for NPOs only began in December 1998, this figure reflects a remarkable growth rate. In the past year alone, NPOs were incorporated at a rate of approximately 500 organizations per month. In addition to these established categories, there are numerous citizens' groups in Japan that have not yet obtained incorporated status.

While the nonprofit sector is clearly bur-

growing, the flow of financial resources into the sector has not matched its growth rate, leaving many nonprofit organizations, particularly the newly incorporated NPOs, in dire need of funding for their operations and activities.

Many of these new NPOs are small-scale grassroots organizations with limited budgets and personnel. A 2003 survey by the Research Institute of Economy, Trade and Industry (RIETI) on the state of NPO operations in Japan showed that the average overall budget of NPOs was ¥12.3 million (about \$127,500) in 2003. Approximately half of all NPOs were operating with budgets of less than ¥5 million (about \$41,700). Their budgetary constraints inevitably affect staff capacity. While 82 percent of the surveyed organizations reported having administrative staff, only 40 percent of that total were full-time salaried staff and the average staff number within that category was 1.3. These statistics vividly illustrate the under-funded status of NPOs.

In response to the urgent need for financial resources, several new kinds of initiatives are emerging that are aimed at encouraging private funding sources, particularly individual donors, to embrace the practice of donating to NPOs. This issue highlights one notable movement involving funding intermediaries that operate at the local level to promote a citizen-to-citizen flow of funds for NPO activities in their specific region or municipality. These intermediaries represent a promising model for mobilizing funds and providing critical support for the growing number of nonprofits in Japan struggling to carry out effective programs in their communities. ☸

INSIDE . . .

page 2:
Weak Funding Environment Sparks Local-Level Efforts to Support NPOs

page 4:
Interim Report on Public Interest Corporation Reforms Stirs Further Debate