

Welfare Nonprofit Organizations in Japan and the Category of Social Enterprise

メタデータ	言語: eng 出版者: 公開日: 2017-10-03 キーワード (Ja): キーワード (En): 作成者: メールアドレス: 所属:
URL	http://hdl.handle.net/2297/24388

Welfare Nonprofit Organizations in Japan and the Category of Social Enterprise*

Akio Fujita

Introduction

Nonprofit organizations (NPOs) show a conspicuous expansion in developed countries such as United States, Canada, EU countries and Japan. The role of NPOs is to attract attention to the social element which is of new importance in today's socio-economic system.

The present socio-economic system, so-called 'contemporary capitalism', in which for-profit organizations and national organizations are leaders, is diversified due to the developing expansion of nonprofit organizations or third sector. This may be said to represent a historical conversion to a new socio-economic system which the third sector has a leading role in the socio-economic system.

The appearance of the four streams taking place in the development of nonprofit organizations are the following.

- 1) Expansion of nonprofit organizations in the public sector affecting privatization in various countries ("failure of government").
- 2) Expansion of independent organizations of which workers, socially conscious people, inhabitants establish in order to enhance their life

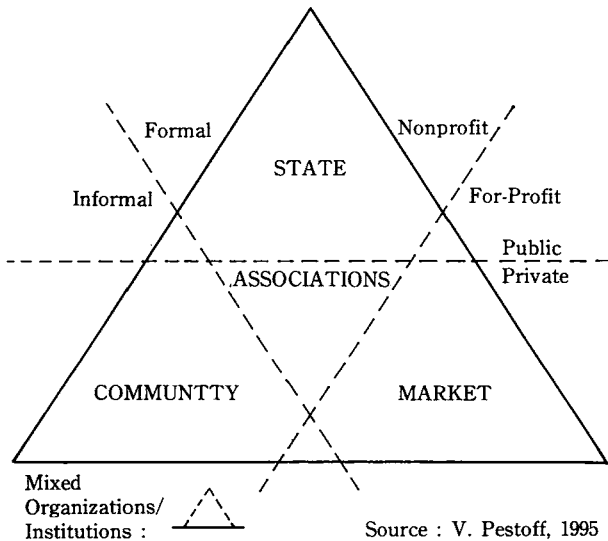
* This paper is a revised draft which I had used during my speech at meetings in Södertörns University and Mid Sweden University in Sweden, in September of 1997. Though main issues of the above draft had been presented in my Japanese papers, this paper includes some added important points.

under new independent welfare sense.

- 3) Supplement the “failure of a market” in by developing profit organizations and the expansion of nonprofit organizations together to form new support organizations.
- 4) Shift to nonprofit behavior in profit oriented companies, due to the trend demanding social contribution, democratization, worker participation, promoting to environmental remedies and social accounting system.

The four streams overlap and mutually influence each other. As for concrete situations, there are differences with every country. But as Pestoff’s welfare mix model (Figure 1) plainly shows, there are common facts affecting the “failure of market, government and community (family)” in all countries.

Figure 1 The Welfare Triangle



From the view point of the development of alternative socio-economic system for the future, the 2nd and 4th streams are mentioned. To enhance the quality of life and the democratization of econo-

mies, community-based organizations in the 2nd and 4th streams need to be developed.

Welfare nonprofit organizations are regarded as a central element in a community-based organization. A important problem is the self-sustainment between community-based NPOs, including a good combination between aim and economical sustainability of the organization. Due to research regarding today's situation of welfare nonprofit organizations, which is diversifying the organization form, the study of the self-sustainment can be advanced. In addition research indicates the democracy of economical organizations.

The category of 'social enterprise' related to above problems is based on the European situation, as Pestoff and Borzaga did. From the view point of this category I will report my findings regarding Japanese welfare nonprofit organizations.

1. The Present Situation of Welfare Nonprofit Organizations

In the field of welfare activity — medical and health care, social welfare — occupies the highest weight of activity in the social nonprofit organizations. Others include education, academic research and culture. The social nonprofit organization number reached 41.7 % of all nonprofit organizations and its full-time employee number was 56.3% in 1995.

Expansion and diversification of today's social welfare programs raise the role of private nonprofit organizations. This expansion shows the need of such organizations. In the field of social welfare, the ratio of private nonprofit organizations has exceed the ratio of public organizations from mid-80's onward.

Expansion of private welfare nonprofit organizations is accompanied with diversification of welfare organizations, which trended from organizations of public nature to organizations of independ-

ent nature. These respective organizations have different forms which are related to different areas of welfare activity.

Welfare expansion is accompanied with not only the growth of NPOs for-profit organizations as well. As for services such as home medical care and residential home care, they require special training. Non-profit organizations like social welfare juridical persons occupies an overwhelming ratio in such special services, and for-profit organizations show an overwhelming ratio in the supply of food, other services and medical facilities which are remunerative (Ministry of Health and Welfare, Minister's Secretariat Statistics Information Bureau).

Table 1 shows the various development of welfare nonprofit organizations. Increase of inhabitants mutual help type, cooperative type stands out recently, and the former almost equals the council of social welfare type.

Table 1. Change of the Welfare Nonprofit Organizations

Type	1987	1988	1989	1990	1991	1992
Inhabitants mutual help	41	60	75	91	107	147
CSW administration	29	61	90	108	126	148
Cooperatives	13	23	34	55	59	81
Consumers	-	-	-	31	32	40
Workers	-	-	-	23	25	39
Agriculture	-	-	-	1	2	2
Administration intervention	6	14	18	27	27	31
Institution administration	1	7	13	14	3	4
others	31	35	41	37	37	41
	121	200	271	332	359	452

Source: National Council of Social Welfare, 1993.

From the view point of revenue source in the above same data, the administration participation type and the institution administration type in which the ratio of "subsidy and grant by local governments" is as large as the nonprofit organizations in which public character is strong. The inhabitants mutual help type and cooperative type in which a ratio of "original source of revenue from the

organizations” and “enrollment fee and fee” are big have a stronger independent character. The council of social welfare type is the intermediate form.

Above present situations of welfare organizations is presented in the following Table 2.

Table 2. Welfare Organization Group I

Type	Practical form	Sector group
Governmental	Institutional administration Administrational intervention	Governmental NPO
Mixed	CSW administration	Social NPO
Private (independent)	Cooperatives Inhabitants mutual help	
	Welfare business company	For-profit organization

2. Activities of the Council of Social Welfare

Within the council of social welfare (CSW), there are the national CSWs, the metropolitan Tokyo CSW and its districts and wards CSWs, other designated cities and their wards CSWs and CSWs of the smaller cities, towns and villages all taking an active role in the daily lives of the average person. The number of the smaller cities forms is 3,245, ward level CSWs of designated cities are 126, totaling 3,373 (juridical person rate 97.6 %), as of April 1/95. Compared to the total in 1991, there has been an increase of 122, but the number of CSWs of cities, towns and villages has decreased by 12.

The origin of the CSW is derived by the social work law that come into effect in metropolitan Tokyo and its district wards in 1951. Since then the history of the CSW began a major movement by promotion of community chest. From the early 1950's CSWs of the cities, towns

and villages became a promotional organization of the “regional organizational activity for health and welfare”, and it meant the beginning of a new policy to promote the development of community-based welfare activity during the post-war. In 1962, the basis of summary on the council of social welfare” was created and included on the a basis of “a principle of the inhabitants subject”.

However, as it was very difficult to lead their activities in a direction of “a principle of the inhabitants subject”, there was basically no change in the trend of community-based welfare in the form of the top down which is controlled by officers of the central government.

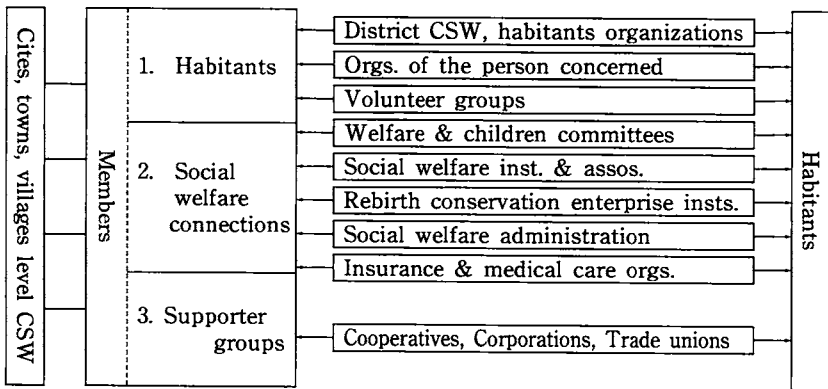
As a remedy to the welfare reduction after the oil crisis in the early 70's and the rapid arrival of an aging society, community-based welfare policy (mainly for promoting residential home care service) was proposed. As the method of promotion the “official and private matters combination activity” was emphasized. Thereafter CSW positioned itself as an important leading organization.

The “official and private matters combination activity” of such welfare organizations was influenced from two sides ; inexpensive policy route and tendency of the independent activities of inhabitants. It later became the “welfare reform policy” by the end of 80's.

The “welfare reform policy” by the government in the early 90's began as the presentation on the “strategy of the 10 years promotion of aging health welfare” (named the Gold Plan) and the reform on the 8 important laws concerning social welfare. The main aim of this policy is to creat and expand the private system of community-based welfare with governmental support overall regions in order to cope with the rapid arrival of aging society. Up until present there has no change with this policy. Recently the “care insurance system” is also with this policy.

With the “welfare reform policy” the role of the CSW was mentioned as the most important organization of community-based welfare. Thus the essential points of the CSW was recognized in 1992 and it’s fundamental organization was shown as Figure 2. At the same time five principles of the CSW’s activities are shown the following : (1) the principle of inhabitants needs basis, (2) the principle of the inhabitants activity subject, (3) the principle of private enterprise, (4) the principle of official and private matters combination activity, (5) the principle of specialty. These emphasize the role of the private welfare enterprise and to perform the community-based welfare activity plan by CSWs of the cities, towns and villages.

Figure 2. Council of Social Welfare (CSW)



Source : *Monthly Welfare*, April 1992.

In this way most CSWs are private nonprofit organizations made up by government, but they are now developing as the welfare organizations of inhabitants participation to go along a principle of the inhabitants activity subject. Furthermore they have a broad network nationwide. It can be said that the CSW is a typical private nonprofit organization dealing with social welfare in Japan.

CSW is not a member organization, but is the alliance of a body

of collective groups like Figure 2. Compared with the very few weight of founding from concerned organizations generally, the financial weight of the central and local governments is significant. Thus it is apt to be led by their officers who sometimes may be influenced by both governments and by governmental administrative control.

The most important work of the CSWs is the promotion of home care in the welfare enterprise toward the realization of a community-based welfare plan. In addition the coordinating, networking, enlightenment and education of community-based welfare programs are of significance important, as well.

Though CSWs have a diversify tendency than other welfare enterprises, they may be forced to divide the field of activity with profitable level. CSWs act as enterprises in a field of low return (home medical care and residential home care). Mainly since profitable fields are dominated by for-profit organizations.

As for the enterprise scale, it is less than 5 million yen a year in half as much as the number which watched it by the income settlement of accounts scale. And the scale is around 1/20 of other private for-profit enterprises. But it is various to be concrete by an area. Generally speaking there seems to be two types of CSW's welfare enterprises, judging from enterprise form and finance form.

The first is the case of activities done as a substitute to the welfare enterprise's work of cities, towns and villages functions. Subsequently, they are small scale with a low ratio of coherent activity, using local government grants as a major service of funding. As for most cases, there are welfare service corporations which are considered to be a representative of the administration intervention type, for being an organizations affiliated to municipalities. In this case CSWs act mostly as coordinating the welfare service.

The second is the case where their activities are done as inhe-

rent welfare enterprise's works on the base of the welfare fund provided by government subsidies. Likewise they are done as trust enterprises of municipalities in the above same way. Most important of these cases is that such welfare organization's activities have an inherent concern with respective region. From a financial viewpoint the welfare organizations of both cases depend on the government and municipalities, but from the viewpoint of organizational governance the welfare organizations of the second case are able to achieve their own inherent welfare works, medical care sections and helpers including in volunteers.

Though not certain which is better, it may be said that the latter case is progressive because of which the activities are done along the inherent principles of CSW.

Recently CSWs are acting to form welfare center mainly through participating to the so-called "town forming movement" in many regions. It seems to show that the organizational nature of CSW' activities is changing from the welfare activities made by "the form of top down" into participating type welfare activities made by the inhabitants.

3. Welfare Nonprofit Organizations of Inhabitants Mutual Help Type

The welfare non-profit organizations of inhabitants mutual help type appear in various forms : the form of inhabitants council activities and town forming activities, the form of mutual help and cooperative workshop activities of handicapped person, the form of spontaneously growth of aging group.

The number shows in recent years a remarkable increase around all regions. According to research regarding the making up a welfare nonprofit organizations of inhabitants mutual help type, the weight of results to be "because to want to receive service without feeling

constrained, even though in this case a user has to pay added money” and “because there are the various needs that can’t be coped with public care system” are larger than another results. (The Investigation Report of National CSW)

They are small scale, and in the half of the number annual association’s revenue is less than 1 million yen. A source of revenue is composed mainly an enrollment fee and monthly fees. This is supplemented by local government grants and CSW. Often revenue is generated by donations, bazaars. 90% of these organizations are membership form. The ratio of organization number (including membership fee) is more than the other organization forms.

Accordingly they are in a weaker financial situation, but they are increasing their activities gradually in most cases. According to the above report, the practical rate of technical service such as special care service increases to the same degree of the “administration intervention type” organizations. As far as concerning such above cases we need to mention a great role of volunteer. The role of volunteer is of paramount importance to the organizations to continue both the self-sustainment and the work for special care services. However, in the long run this organization form needs to be supported by government and municipalities.

Though the welfare non-profit organizations of inhabitants mutual help type are in its developing stage, it seems to have the possibility becoming an independent and cooperatively operated nonprofit organizations.

4. The Welfare Activities of Consumers Cooperatives

The welfare activities of cooperative form of recent years has grown steadily. Concentrating on the welfare activities of consumers cooperatives they are divided into two categories.

- 1) expansion of activities of consumers cooperatives
- 2) welfare activities of the welfare consumers cooperatives

1) The first case observes the activities of “a meeting of cooperative of living” which results in the welfare activities of consumer cooperatives themselves. The activities began from Nada Kobe consumers cooperative in 1983 and extended to the whole country such as Sapporo, Miyagi, Kyoto, Hiroshima, Kagoshima and so on. The issues of these activities have been examined with some investigation reports of Consumers’ Cooperative Institute in detail already.

A issue from a point of view in this place is problems of relation between consumers cooperative activities and welfare activities. Nobody negates that the welfare activity is embodiment of the historical and contemporary idea of cooperative and a subject that they naturally should deal. A important problem is the extent that cooperative is able to deal with such activities.

In this dimension we need to divide the welfare activities into three groups : group A — routine daily life support, group B — tedious home care support, group C — professional care support.

The activities of group A are an expansion of daily life activities of many consumers cooperatives and most “meetings of mutual help”. Meal service enterprise to persons of advanced age is one of the typical activities. There are consumer cooperatives which overlap the activities of group B. However, difficulty arises in term of manpower and special training. Generally speaking the activities of group A should be done as activities of consumers cooperatives, and it depends on circumstances of respective consumer cooperatives if activities of group B should be done. The activities of group C cannot help being dealt with technical organizations of government. But the reality of welfare is not little when above-mentioned cases are over-

laped each others. Accordingly the network cooperation activities of consumers cooperatives for having a close relationship to other welfare nonprofit organizations and public organizations will be indispensable in any kind of the welfare activities.

In addition, there is the problem of economic feasibility. Welfare can include the field of welfare business, but most welfare enterprises are unprofitable. Especially the activities of group C mentioned above will be impossible to find a remuneration, if they keep user's burden to a line of common sense. The activities of group B are activities of range that consumer cooperatives can deal with, but the self-sustainment of such cooperatives is very difficult. Inevitably, it seems that government support is necessary.

The above problems are concerned not only with cooperatives but also other nonprofit organizations.

In short the welfare activities of consumer cooperatives needs a network cooperation amongst cooperatives, other nonprofit organizations, governmental and municipal organizations.

2) Second welfare activities of consumer cooperatives are the activities of special welfare social cooperative. One example is the consumer cooperative connective organizations including welfare clubs, another is a workers coop type welfare cooperatives, a third are medical consumer cooperatives which have a technical know how. Their importance is emerging in regions nationwide.

It is an important problem to affect these organizations that the enterprise organization form of cooperatives is being tried if it is useful in the field of social welfare services. The cooperative have been mature enterprise organization having the history, and now is growing up as the organization which is not confined to mutual aid and by which the community is supported.

The welfare cooperative is now expected as a sustainable and democratic enterprise body requested by the independent activities of people, and to provide welfare service as an important constitutional element of “life infrastructure”, not as welfare business. But for realizing such an enterprise it is necessary to think about a support system for unprofitable activities, as stated above. This support system concerns the welfare problems of the macro system, and it seems it should be considered based on the problems of a new socio-economic system and living rural community formation.

5. Social Nonprofit Organizations and Social Enterprise

The problem of “social nonprofit organizations” (Fujita) including welfare nonprofit organizations seems to be related with the problem of “social enterprise”, which has been often discussed by scholars in EU recently (See Pestoff and Borzaga). However there are some differences among them. Borzaga doesn’t show general contents of the social enterprise in order to deal with various forms of European social enterprises. It should be pointed out what he has shown are the common characteristics of European social enterprise. He describes as the following :

“They have in common at least two characteristics that distinguish them from other organizations with social ends or non-profit :

a) a marked productive element, either of social services to the community, or other goods and services as a means for reintegrating disadvantaged people in the job market ; this has made them opt for a more entrepreneurial type of organization, including the cooperatives ;

b) a considerable and important, though often complex, participation of various groups of stakeholders – volunteers, workers, users, is guaranteed not only by the composition of its social base, but also

by the democratic type of management.” (Borzaga)

Dr. Pestoff explains general contents of a social enterprise as the following : a social enterprise can take various legal forms such as a nonprofit organization, a cooperative, private enterprise and economy group. However, it is a corporate organization has the following common characteristics.

“Thus, social enterprise can be characterized by the following :

- 1) they pursue multiple goals with a clear social content,
- 2) they are often small community based and democratic enterprises,
- 3) they don't exist to maximize the return on capital nor revenues over expenses,
- 4) their main competitive advantage is trust, which is a by-product of their clear commitment to social goals,
- 5) their business concept and competitive advantage would be greatly facilitated and enhanced by an annual social audit and by the multi-stakeholder organization form,
- 6) while they can take any legal form, their main competitive advantage is facilitated by the non-profit or cooperative legal form,
- 7) they facilitate employee self-realization and consumer empowerment.” (Pestoff, 1996)

The category of social enterprise which is showed above is different from one of social NPO. The differences seem to me to be the following :

- 1) The main characteristics of a social enterprise is to create jobs and maintain economic sustainability. The merit of a social enterprise which has its ability to create jobs and remedy to the cut of welfare expenditure seems to be a big reason to explain that recently this category is often discussed in Europe.

Social NPOs has the option to be volunteer organizations and to include non-enterprise organizations.

2) Social enterprise has an autonomy of management on the independent economic base. Social NPO is possible to have an kind of independency concerning management, even though it don't have the enough economic base.

3) Social enterprise seems to have a limit concerning the ability to deal with special home care which requires special training to assist in bathing and excretion care. Because it has a possibility of becoming unstable situation in the remuneration and sustainability as enterprise. It seems to be better that such special welfare works are done by social NPOs supported by governmental sector or governmental NPOs.

From the above thinking about the differences between a social NPO and social enterprise, welfare organizations are grouped as the following table :

Table 3 Welfare Organization Group II

Sector group	Practical form	Enterprise form
Governmental NPO	Istitutional administration	Governmental enterprise
	Administrational intervention	*
Social NPO	CSW administration	*
	Cooperatives Inhabitants mutual help	Social enterprise *
For-profit organization	Welfare business company	Business enterprise

* gray zone

Concluding Remarks — Relations Between Welfare Nonprofit Organizations and Other Social Nonprofit Organizations

For the advancement of welfare nonprofit organizations the following three points must be examined. First welfare nonprofit organizations must be positioned as a core in the reproduction and evolu-

tion of community (=daily life base) in every region. Second is to promote the development of social enterprise as well as welfare non-profit organizations supported by governmental and municipal organizations. Third is to research the support systems for NPOs.

The three points contain the following :

(1) Welfare nonprofit organizations are an important element of so-called daily-life infrastructure and regarded as a central element in community-based organizations, which are composed of various kinds of nonprofit organizations related to daily life. As a central role of reproduction and evolution in the community, developing a good relationship and present-day network among these nonprofit organizations is essential.

In Japan we can see some cases which some cooperatives have a closed relationship between the welfare part and other daily life activities in some regions. However they are very few. Generally speaking they are working in separate fields respectively concerning social and daily life services, failing to the network as a community.

In comparison to Sweden, even if welfare actions has developed to some extent in Japan, they hasn't developed as community-based network organizations. For these results, much can be learned about promoting such relationship from the recent Swedish new cooperatives movement in rural regions (for example, see Conference Documentation of Mid Swedish University). The so-called 'social economy' is emphasized as a strategic category unifying community-based nonprofit organizations. 'Social economy' is a newly strategic and theoretical term of EU's regional policy, as it is often referred to (ibid.).

(2) The category of social enterprise should be mentioned in the meaning which social enterprise is a kind of social NPOs likely to

have economical independence and sustainability. Not only is the development of social enterprise able to be realized as an active welfare policy and an unemployment policy in the today's situation, but also it has the important contents of a new and universal enterprise form in the future. This issue is included the development of new business enterprise, problems of employee participation and ESOPs.

Emphasizing the social role of social enterprise doesn't mean that social NPOs supported by government and municipalities are regarded as a subordinate factor in the welfare field. Both organizations play a very important role, respectively. An optimal balance is the key between them both.

(3) For the development of welfare NPOs the support system or support organizations of them should be mentioned at least from the following three points :

- 1) Welfare NPOs requires assistance, concerning welfare services, the forming of associations, juridical questions, economy, administration, marketing, education, etc.
- 2) Welfare NPOs need to build networks with other NPOs to develop community-based organizations. Support organizations shall assist to build such networks and play as an intermediate among various organizations.
- 3) Welfare NPOs need support in financing and other economical aids. Support organizations can help to seek out sources of financing and to introduce them to welfare NPOs.

We discovered some practical examples of above points in some local support systems of Swedish rural regions (for example, KU – Cooperative Development in the county of Jämtland, in Sweden). Such support organizations act as a knowledge and information center in the “living rural communities” (ibid.). Furthermore social NPOs includ-

ing welfare NPOs are connected to each other through these support organizations (Philippe). These networks of social NPOs form the framework of “living rural communities”.

References

- Perri 6 and Isabel Vidal, ed, 1994, *Delivering Welfare*, CIES Barcelona.
- Borzaga, Carlo, 1995, “The evolution of the welfare state and the role of social cooperation in Europe. — a synthesis of the research”, *Social Enterprises : an Opportunity for Europe*, preliminary reports in First European Conference on social co-operation, Brussels (unpublished).
- Salamon, Lester M, 1995, *Partner in Public Service — Government-Nonprofit Relations in the Modern State*, The Johns Hopkins University Press.
- Pestoff, Victor, 1993, “Beyond Exit and Voice in Social Welfare Services — Consumer Investment and Clients as Co-Producers”. Paper presented to the Barcelona Conference on “Wellbeing in Europe by Strengthening the Third Sector”.
- , 1996, *Social Enterprise & Civil Democracy in Sweden : Enriching Work Environment and Empowering Citizens as Co-Producers*, (unpublished). The main contents of this booklet was presented in some conferences in Japan, in 1996.
- Salamon, Lester M and Helmut K. Aneier, 1996, *The Emerging Nonprofit Sector, An overview*. Manchester University Press.
- Conference Documentation of Mid Sweden University, 1996, *Civic Culture and Social Economy*, Research Conference April 10-11, in Östersund, The Swedish Institute for Social Economy of Mid Sweden University.
- Philippe, Karine, 1997, *Contribution of Social Economy and New Co-operatives to Rural Development*, The Swedish Institute for Social Economy of Mid Sweden University, (unpublished report).
- KU—Cooperative Development in the County of Jämtland, in Sweden (pamphlet).
- Tokyo Council of Social Welfare, 1991, “Advancing of the Welfare Community” Tokyo Council of Social Welfare, (Japanese)
- 1991, “Investigation Study Enterprise Report about the Welfare Activity by a Consumers’ Cooperative” (Japanese)
- 1992, “In Order to Support Welfare for Residential Homecare-Reports of the Training Meeting of Consumer’s Cooperatives”, 1992. (Japanese)
- 1993, “Planning for Cooperation with the Welfare Resources of an Area and it’s Realization”, (Japanese)

- National Council of Social Welfare, 1993, "The Investigation Report on the Residential Homecare Service of Inhabitants Participation Type in 1992.", (Japanese)
- Ministry of Health and Welfare, Minister's Secretariat Statistics Information Bureau, 1993, "The Realities of Non-Governmental Service for Residential Homecare, Medical Care, Health Care", Chuoh Hoki, (Japanese)
- Fujita, Akio 1993, "On the Recent Problems of the Non-profit Organizations—An Approach to the 'Social Non-profit Organization'.", *Kanazawa University Economic Review* Vol. 14, No.1, (Japanese)
- Ministry of Health and Welfare, Minister's Secretariat Policy Section, 1994, "The 21st Century Welfare Vision —Toward the Decreasing of Children and Aged Society", Daiichi Hoki, (Japanese)
- Economic Planning Agency, ed., 1995, "Personal Independence and Participation to Citizen Movement", Ministry of Finance Printing Bureau, (Japanese)