A Preliminary Typology of Motivations for Nonprofit Corporate Registration among Japan's Faith-Based Civil Society Organizations[1]

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Introduction

Sociology of religion scholars have in recent years undertaken serious investigations of the role of religion in civil society through the lenses of social engagement and social capital. Inaba Keishin and Sakurai Yoshihide's edited volume *Shakai Kouken suru Shuukyou* (Socially Engaged Religion) (2009) and a subsequent three-volume collaborative effort examining religion and social capital in Japan and Asia (Sakurai and Hamada, 2012; Otani and Fujimoto, 2012; Inaba and Kurosawa, 2013) are examples of this attempt by scholars of the sociology of religion to think about the role of religion in broader society. This research has tended to focus on case studies, either of specific religious organizations or of activities in specific sectors (Miki 2001; Inaba and Kurosaki 2003; Mukhopadhyaya 2005; Otani and Fujimoto, 2012; Sakurai and Hamada, 2012).

On the other hand, scholars of civil society and social capital in other fields have paid little or no attention to the role of religion in Japan's civil society and nonprofit sector. Many scholarly works on Japan's civil society ignore religious organization and faith altogether, others mention them in passing and in slight detail. Research on postwar religion in Japan, on the other hand, largely ignores civil society and the nonprofit sector in favor of analysis of doctrine and practice. That research that examines the relationship between them take the position that religious organizations are apart from civil society because the logic and purpose of religion does not fit the voluntary, horizontal logic of the public sphere outside of the state.

The lack of identifications of connection among organized Japanese religion, civil society, and the nonprofit sector is puzzling. Voluntary and philanthropic work by religious organizations in other parts of Asia is well-documented. In Japan charitable and philanthropic practices within a Buddhist context have long premodern histories (Yamauchi, 1998; Augustine, 2001; Watts and Okano, 2012). Scholars from the disciplines of history, nonprofit research, religious studies, and the sociology of religion have variously noted the philanthropic work of Japanese religious organizations and individuals. In the early period of Japan's modernization religious organizations, Christian and Buddhist religious organizations engaged in philanthropic and welfare work in the rapidly urbanizing society of Meiji Japan, where many were instrumental in supporting official social policy (Hastings, 1995: 21–68; Mukhopadyaya, 2006: 24–33; Imada, 2010: 27). Renewed charitable work was a

characteristic of the Buddhist revival in postwar Japan, a phenomenon spurred in part by reaction "to the stimulus and example of Christianity" (Lohmann and Bracken, 1991: 8). Watts and Okano (2012) point to a resurgence of socially engaged Buddhism from the 1980s, a period that corresponds to the growth of new civil society organizations. Taniguchi (2010: 175) and Mitani (2013) found significant correlations between religiosity and volunteering. Terazawa (2012) found that Japanese who are religious are more likely to participate in social activities than non-religious. This was the case for Buddhists, Christians, and members of a number of new religions. He also found that "commitment to temples" rather than faith is the significant variable in social participation by Buddhists. Religious organizations in Japan are an integral part of community identity and associational life, as an extensive anthropological literature makes clear.

Organized religion has also engaged the state through advocacy on selected issues. Most notably, the Soka Gakkai founded its own political party, the Komeito, in 1964.[2] Christian and Buddhist associations have been active in the promotion of peace issues. They have also taken positions on conservative politicians' attempts to strengthen the relationship between the government and Yasukuni Shrine, although these positions have been diverse and in opposition (Umehara, 1985: 58–65).

This research note fills that gap by considering socially engaged religion from the perspective of the civil society sector, operationalized here as the broad nonprofit sector (Yamamoto, 1998). It first outlines the ways in which legal categories of civil society organization in Japan hinder identification of religious organizations with the rest of the nonprofit sector. Second, it places organized religion within Japan's broad nonprofit sector, which encompasses a variety of distinct corporate legal categories in Japan as well as the notion of philanthropy. The nonprofit sector is therefore understood in light of categories of legal incorporation embodied in Japan's Uniform Civil Code and related statutes. The logic follows that of the International Classification for Nonprofit Organizations (ICNPO) developed in Salamon and Anheier (1997) and used to analyze Japan by Yamauchi, Shimizu, Sokolowski, and Salamon (1999), Yamamoto (1998) and others.

Finally, the research note examines the connections between religious and civil society organizations in other major nonprofit sectors. Methodologically, it begins with the understanding that what are called faith-based organizations (FBOs) in the United States and elsewhere. I here follow Torry's (2005) typology of religious organizational management that distinguishes FBOs from other kinds of religious association. Doing so affords us a view of the overlap of organized religion with other civil society sectors. Previous research (Potter 2015) has demonstrated that organized religion is involved in some form or other in all of the major sectors of the broad nonprofit sector but that their participation varies both by sector and religion. Finally, I develop a preliminary typology of possible motivations for Japanese religious organizations to incorporate as other kinds of registered nonprofit corporation.

Civil Society, Religious Organizations, and the Law

In the context of state regulation of civil society among the industrial democracies Bloodgood, Trembley-Boire, and Prakash (2014) analyze Japan as a representative case of corporatist regulation in which the state controls the size and impact of the nonprofit sector by creating high barriers to entry and limiting nonprofits' ability to raise independent funding and to engage in policy advocacy. Amemori (1998) observes that "the legal treatment of nonprofit organizations in Japan is highly restrictive and rigid," (59) and further notes that the state has generally been suspicious of an independent civil society sector. Categories of legal corporations reflect state priorities and incorporation historically depended upon permission granted at the discretion of the relevant administrative agency (Pekkanen 2006).

The legal framework governing the broad nonprofit sector is based on the Uniform Civil Code established in 1896 and subsequent separate statutes. In fact, the Code itself does not delineate a nonprofit sector per se, rather a galaxy of incorporated associations organized for various societal purposes. The civil code originally allowed for establishment of public interest corporations (*koueki houjin*); incorporated associations, which include school corporations, social welfare corporations, and religious corporations; and profit-making associations, including medical corporations. Other types of organization must be established by separate statute (Amemori, 1998: 59−60). These include cooperatives, trusts, neighborhood assocations (*chounaikai*), and 'nonprofit organizations' (NPOs), the latter provided for by the adoption of the so-called NPO law in 1998. Since 2008 two new legal categories of general incorporated association have been added. Supervising administrative agencies, tax treatment, and degree of independence from governmnet control vary among types of corporations.

Yamauchi et al. (1999), Deguchi (2001), and Pekkanen (2006) describe the sector as bifurcated or dual sector. One group is made up of those legally-defined nonprofits with close links to government. Mostly, these are school corporations, religious corporations, social welfare corporations, and medical corporations. Neighborhood associations may also be placed in this category. Voluntary organizations, including NPOs as a new type of legal corporation by law in December 1998, comprise the second. As a result of high barriers to entry or the desire to remain independent of government regulation, many voluntary associations do not seek legal incorporation, a situation only partially alleviated by the 1998 NPO law and 2006 revisions of the public interest corporation law.

This legal structure hinders the creation of an understanding of civil society that fosters common identities across legal frameworks, in effect compartmentalizing the broad nonprofit sector into discrete legal corporations each with its own identity. Moreover, it inadvertently promotes confusion in terminology which, *inter alia*, hinders identification of organized religion with civil society. Scholars outside of the sociology of religion use terms such as the third sector, philanthropy, and nonprofit organization; religious studies scholars speak of social contribution or social engagement. These research perspectives parallel one another rather than overlap.

In addition to the Civil Code the legal framework for the religious sector in Japan is set out in

Table 1: composition of civil society associations

Formal incorporation	Public interest corporations	9,470
	Social welfare corporations	20,773
	Educational corporations	8,020
	Religious corporations	181,810
	Medical corporations	53,408
	Neighborhood associations	200,000
	Special nonprofit activity corporations (NPOs) 51,014	
	General incorporated associations 47,591	
unincorporated	Neighborhood associations 297,000 (2002 est.)	
	Voluntary groups	

Source: adapted from Pekkanen and Simon 2003, 79; JACO 2017.

Article 20 of the 1947 constitution and the subsequent Religious Corporations Law of 1951. In effect, Article 20 laid the foundation for a strict separation of church and state in postwar Japan: "(F)reedom of religion is guaranteed to all. No religious organization shall receive any privileges from the State, nor exercise any political authority. No person shall be compelled to take part in any religious act, celebration, rite or practice. The State and its organs shall refrain from religious education or any other religious activity." The state does not subsidize organized religion and has tended not to interfere with religious organizations. During most of the postwar era it was easier to establish and register religious corporations than it was for any other type of nonprofit corporation. The overtly political and violent activities of the Aum Shinrikyo which culminated in the sarin gas attack in Tokyo in January 1995 led the state to more strictly regulate religious organizations (Hardacre, 2003; LoBreglio, 2006; Klein, 2012), in effect regulating religious corporations in accordance with regulations governing other forms of incorporated association (Mullins 2001, p. 85n).

The Religious Corporation Law of 1951 covers establishment and operation of religious corporations. According to Amemori (1998) the law stipulated that religious corporations are organizations that have dissemination of religious teachings and beliefs, performance of ceremonies, and the the development of believers as their main purposes. Amemori further notes that the law provides for little public oversight of religious corporations. Religious groups are not required to register with public agencies, nor may the government request information about religious matters. Religious organizations are exempt from income, real estate, and registration tax. Perhaps most important, they are allowed to engage in business activities to support their religious activities (p. 201).

The constitutional principle of separation of church and state distances religion from the rest of organized civil society by making it difficult for government overtly to engage religious organizations in the pursuit of public goods. At the same time, the suspicion that many religious organizations' activites are covers for profit-making and the widespread impression of religious organizations as

coercive proselytizers separates them from the rest of the nonprofit sector (Hardacre, 2003).

Religious Organizations in the Broad Nonprofit Sector

According to the Agency for Cultural Affairs of the Ministry of Education, Science, Sports, Culture, and Technology as of December 31, 2011 there were 221,189 religious organizations in Japan (down from a peak of some 230,000 in 1990), of which 181,855 were were registered with government agencies as religious corporations. Of the former, 88,804 have Shinto affiliation, 85,343 have Buddhist affiliation, 9,281 have Christian affiliation, and 37,761 have "other" affiliation (mostly new religions). Registered Shinto corporations collectively claim 100,770,882 believers (51.2 percent of the total), Buddhist organizations claim 84,708,309 (43 percent), Christian churches 1,920,892 (1 percent), and other religions 9,490,446 (4.8 percent) (Bunkacho, 2013: 34–35).

Table 1 provides a comparison of the numbers of organizations among the major types of nonprofit corporations in Japan. Even if one uses the more restrictive number of registered religious corporations, 181,855 in 2011, this is far larger than the number of public interest corporations, social welfare corporations, NPOs, and general incorporated associations, the fastest growing in the nonprofit sector. Of organizations examined in this research, only neighborhood associations, about 297,000 in 2002, exceed the number of religious associations.

Religious organizations' engagement with the broad nonprofit sector

In previous research (Potter 2014; 2015) I tried to map the interactions between organized religion and other parts of the nonprofit sector. I examined the presence of religious organizations in the social services and welfare sector, the private education sector, neighborhood associations, and the NGO/NPO sector as a means to test whether religious organizations' formal participation in the broad nonprofit sector differs according to the legal framework outlined above both in terms of incidence and quality. The research pointed to active participation by religious organizations in health and welfare service provision going back to the late nineteenth century and continuing to the present. It also found robusts linkage between religious organizations and private education, with one in five private universities estimated to have some kind of connection to a parent religious organization. *Chounaikai* and religious parishes, of course, share an identity of locality and these identities are likely to overlap. This facilitates a sense of common community purpose that can enhance institutional linkages. In a study of Tsukuba City, for example, Pekkanen and Tsujinaka (2008: 712–713) found that forty percent of neighborhood associations reported cooperative linkages with religious-based organizations and that about one in four of them reported some kind of cooperation with churches, shrines and temples.

The international cooperation sector is of interest to this research for two reasons. First, one finds both established civil society organizations such as *koueki houjin* and new NPOs. The subsector is

newer, less institutionalized, and more reliant on volunteer labor than the *koueki houjin* of the broad nonprofit sector. Second, the research found what appeared to be a bias in favor of incorporating FBOs as *koueki houjin* rather than as NPOs. This point deserves attention in future research.

Motivations for incorporating as a nonprofit outside of the religious corporation framework

If Japan's religious organizations are already a part of the broad nonprofit sector a question arises: why would organizations that already have one kind of corporate status go through the trouble of registering new organizations with different nonprofit corporate status? On the other hand, why do some kinds of engagement not result in establishment of new nonprofit organizations? There is a small but identifiable group of public interest, special nonprofit, and other charitable foundations that have religious connections. These are what we would properly term "faith-based organizations". I am still in the process of trying to identify them all and, based, on that, ask them why they have chosen to incorporate outside of the religious corporation framework.

The following is a preliminary typology of kinds of religious organizations' motivations for social engagement. I see a spectrum of social action from passive to active and from strictly religious activity to social contribution.

a) Proseletyzing
b) Temple and shrine festivals
c) Prayer for social and world peace and prosperity
d) Individual acts of charity (individual clergy)
e) Advocacy from the pulpit, speaking doctrine to congregations on social and political issues
f) Lending facilities to civic organizations (for example, the Catholic diocese of Central Japan lends old school facilities to Second Harvest, a NPO)
g) Cooperation with civic organizations (temples, shrines and *chounaikai*, fire departments, local governments)
h) Occasional charity
i) Continuous charity
j) Lobbying, formal political activity
k) Interfaith networking for charity, social work/development, advocacy
l) Interfaith networking for religious purposes
m) Formal welfare or educational activity requiring special licensing
n) some religious groups, especially new religions, may wish to incorporate nonprofits to avoid the stigma of being seen as for-profit enterprises.

Based on this list the author formulated the following hypotheses concerning the decision to incorporate:

1) Incorporation depends on the type of activity to be undertaken;

2) Incorporation depends on the distance of the activity from the parent organization's core religious mission;

3) Incorporation depends on the duration/frequency of the social activity;

4) Incorporation depends on the type of religion (sub-hypothesis: interfaith organizations are more likely to incorporate fbos than own faith associations);

5) Incorporation depends on the purpose and content of government regulation of the nonprofit sector.

This group of hypotheses would suggest that among the typology of social action outlined above i through n are most likely to stimulate formal incorporation of separate organizations. A through h, on the other hand, would provide little or no incentive to create a separate legal corporation as costs would exceed any expected benefits.

Conclusion

This research surveyed the presence of organized religion in Japan's contemporary broad nonprofit sector. To date, scholars of the nonprofit sector have tended to ignore or overlook religious organizations or to treat incorporated religious organizations as a residual legal category. Until recently, on the other hand, scholars of the sociology of religion did not think of religion in terms of civil society or the nonprofit sector.

The presentation concludes the following. First, placing religious corporations in the context of that sector reveals the numerical presence of organized religion in Japanese civil society. Moreover, religious-affiliated nonprofits can be found either directly participating in or in regular contact with all parts of the broad nonprofit sector investigated in the research.

Second, participation by religious organizations in the broad nonprofit sector appears to be uneven. The presence of religious organizations is greatest in the established nonprofit sector, as demonstrated by the social welfare and educational nonprofit sectors. Their presence appears to be numerically weaker in the new nonprofit sector and neighborhood associations. In these cases the data presented in this presentation suggests that networking or forms of interaction other than formal establishment of organizations by religious corporations appears to be the norm.

There is clear evidence for participation by organized religion across the broad nonprofit sector but it remains partial. One may tentatively conclude from the research here that there appears to be a bias in religious organizations' engagement with the rest of civil society. Scholars of Japan's nonprofit sector tend to differentiate between the established nonprofit sector, regulated by statutes other than the 1998 NPO law, and the mass of newly incorporated NPOs whose legal existence has been facilitated by that law (Imada, 2001; Pekkanen, 2006). The tentative conclusion here is that the formal links between religious corporations and the rest of Japan's civil society are strongest and most frequent in the former and less so in the latter.

Finally, the research note presented a tentative list of possible motivations for religious corporations

to establish separate legal corporations (FBOs). Based on these the author presented five hypotheses for separate incorporation. Ongoing fieldwork is expected to clarify patterns within the typology and confirm or deny the hypotheses presented.

Notes

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2 A quick tour of the literature on 'politics and religion' in Japan predominantly turns up both scholarly and journalistic works on the Soka Gakkai and Komeito.

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Abstract

Despite its image as a country of religious non-believers Japan has a vital organized religious sector. Yet scholarship on socially engaged religion in Japan and research on the nonprofit sector in that country tend to be mutually disregarding even though connections and contacts between the two exist. This research note attempts to fill the gap between the scholarship on socially engaged religion and that on the nonprofit sector. It first outlines the ways in which legal categories of civil society organization in Japan hinder identification of religious organizations with the rest of the nonprofit sector. Second, it places organized religion within Japan's broad nonprofit sector. Finally, the research note examines the connections between religious and civil society organizations in other nonprofit sectors. In particular, it presents a preliminary typology of motivations for registered religious corporations to establish 'faith-based organizations' legally separate from the parent body.