

Aid by Other Means: An Examination of Three NGO Subsidy Schemes in Japan

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Introduction

This article compares three programs that provide grants to support Japanese non-governmental organization (NGO) projects abroad: the Ministry of Foreign Affairs (MOFA) NGO Grassroots Subsidy program, the Ministry of Posts and Telecommunications (MPT) Postal International Volunteer Savings scheme (POSIVA), and the Keidanren Nature Conservation Fund (KNCF). These three represent a range of Japanese initiatives begun in the early 1990s to strengthen the international NGO sector. The NGO Grassroots Subsidy program is one of a number of government schemes that are part of the official development assistance (ODA) program. It was established in 2001 but is the successor of an original program to support Japanese and foreign NGOs initiated in 1989. POSIVA is a government-sponsored program designed to leverage the financial power of private savings in the postal system (Reimann 2010). At the time of its establishment in 1990 the postal savings system was public, but it was privatized in 2007 as part of the Koizumi administration's reforms. It therefore represents a hybrid public-private effort. The KNCF represents a private philanthropic effort to support environmental NGOs. It was established in 1991 in response to advocacy from international actors, especially international environmental NGOs (Reimann 2010).

Literature review

The literature on Japanese subsidies for NGOs to date has tended to be superficial and thin compared to studies either of ODA or NGOs. Kim Reimann (2010) is the only scholar to discuss all three of the NGO funding schemes analyzed in this article. Keiko Hirata's *Civil Society in Japan* (2002) is the most detailed study of Japanese ODA-NGO relations to date, but

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her analysis of NGO subsidies covers only funds from MOFA and the MPT. Saotome Mitsuhiro (1997) also discussed these two schemes in some detail. Judith Randel and Tony German (1999) and Yamada Yoichi (2000) also introduces these two schemes. The Ministry of Foreign Affairs Grassroots NGO subsidy scheme is the best researched NGO subsidy scheme of the three examined in this article. As far as the authors have been able to determine, it is also the only subsidy scheme of the three studied here to have undergone third party evaluation (see Ministry of Foreign Affairs 2002, 2005, 2011).

Others (Rix 1993, Uchida 1996, Machida 2003, Nanami 2008, Kim and Potter 2014) discuss only one of each. Alan Rix (1993) discussed NGOs from a political viewpoint and mentioned the key feature of the POSIVA budget, namely that it is separated from official NGO subsidy arrangements. Yasuo Uchida (1996, 90–91) examined the POSIVA in the context of public support for ODA and presented a summary of 1992 data on budget, project allocation by recipient group, and by type of activity. Machida Nanae (2003) provided a specific overview of the same scheme but her analysis covered only the years 1990–2001. Hyo-sook Kim and David Potter (2014) examined the Grassroots NGO subsidy scheme as part of Japan's aid efforts to assist the achievement of the Millennium Development Goals, examining allocations by recipient country, human development index rank, and field of activity. Akiko Nanami (2008) critically analyzes it in terms of its administrative impacts on NGOs.

The literature outlined above tends to place the subsidy schemes in the context of changes in Japan's ODA administration that were occurring largely during the period from the late 1980s to the early 2000s. Many of these works concerned themselves with the emergence of new aid programs and analyses were limited by the lack of data. As a result, little systematic attention has been paid to what these subsidy programs actually funded in terms of projects and NGOs. This study fills that gap by providing updated analysis of three subsidy programs not compared directly to date.

Methodology

A nongovernmental organization is understood here as any nonprofit voluntary group which is organized either locally or internationally. External financial assistance to NGOs' funds is an important factor in the management of these organizations. Financial assistance is provided in various ways but can be divided into three types. The first type is ODA from international organizations implemented multilaterally. The second type is by public bilateral ODA or assistance from other government agencies. The third type is private aid by individuals or philanthropic institutions. Grants to NGOs by UN agencies are an example of the first; grant programs administered by JICA or the Ministry of Foreign Affairs are examples of the second; and grants by the Nippon Foundation or Toyota Foundation are examples of the third. The three types reveal distinctive features of assistance, for example, in terms of focus on project sectors (food aid, humanitarian aid), region, and scale of budgets. However, the literature review above did not find research clearly illustrating possible differences among these three types.

To address this gap in the literature, this research note analyzed MOFA, Postal International Volunteer Savings (POSIVA), and Keidanren grants to NGOs in order to clarify similarities and differences among them. Dimensions investigated were budgets over time, total NGO projects funded by year, average budget per NGO project over time, geographic distribution of projects, and sectoral distribution of projects. This research investigated data from MOFA from 2002 to 2013, POSIVA from 1991 to 2012 (part of them are only from 2006 to 2012) and Keidanren from 2002 to 2013 (part of them are from 2001 to 2010 or 2003 to 2013). The data used are from MOFA's website, the official website of Postal Savings for International Voluntary Aid for International Assistance and the website of the Keidanren Nature Conservation Fund. The researchers organized grant data by budget by fiscal year, number of projects funded, world region in which projects were undertaken, activity sector, and NGO. The research calculated average budgets per project for each subsidy scheme. Furthermore, data on sectoral distribution categorizes activities by NGO. Allocations were calculated according to categories presented in "Understanding Japanese NGOs from Facts and Practices" (JICA 2008) in order to ensure uniformity of sectoral data across subsidies.

Results

The tabular results of the survey are presented in Tables 1–3 and Figures 1–7. Tables 1, 2, and 3 show budgets for each grant program over time from establishment to the present. Data collected were organized into number of projects funded by each scheme each year, total budget for each year, and average budget per project (total budget divided the number of

Table 1 Allocation of MOFA NGO Grassroots Subsidy Budgets Over Time and Total NGO Projects Funded (FY2002–2013)

FY	Projects(n)	Budget (¥10000)	Average Budget (¥10000)
2002	60	59,136	986
2003	56	75,825	1,354
2004	72	103,840	1,442
2005	67	119,699	1,787
2006	52	102,567	1,972
2007	64	137,270	2,145
2008	72	183,526	2,549
2009	81	208,125	2,569
2010	78	248,920	3,191
2011	81	290,012	3,580
2012	92	346,755	3,769
2013	105	365,890	3,485

Source: compiled by the authors based on the data from Ministry of Foreign Affairs of Japan HP 日本 NGO 連携無償資金協力実績一覧 2014

projects for each year). The MOFA NGO Grassroots Subsidy was hived off from a previous NGO grant program in 2001, so data is available only from 2002.

Note first that the MOFA NGO Grassroots Subsidy budget has grown from modest origins to become by far the largest source of NGO funding among the three programs investigated. The trend, moreover, has been steady expansion of resources. Project numbers tend to be modest, averaging 73 per year. Average budgets per project are correspondingly higher for this grant than for the other two.

Table 2 Allocation of Postal Volunteer Savings Budgets Over Time and Total NGO Projects Funded (FY 1991–2012)

FYB	Projects (n)	Budget (¥10000)	Average Budget (¥10000)
1991	148	91,358	617
1992	250	322,636	1,291
1993	240	218,563	911
1994	261	236,272	905
1995	305	281,074	922
1996	264	157,568	597
1997	239	106,190	444
1998	234	124,227	531
1999	237	118,023	498
2000	225	65,041	289
2001	193	66,646	345
2002	150	34,102	227
2003	88	14,266	162
2004	64	10,177	159
2005	53	8,603	162
2006	38	7,026	184
2007	197	97,819	496
2008	140	79,732	569
2009	100	54,282	543
2010	33	14,583	442
2011	22	11,291	513
2012	27	12,068	447

Source: compiled by the authors based on data from Mitsubishi Research and Consulting Corporation, 国際ボランティア貯金制度の評価にかかる調査研究 (H25) p. 33
 独立行政法人郵便貯金・簡易生命保険管理機構貯金部 「国際ボランティア貯金寄附金による海外援助について」 (H25)

In contrast, Postal Volunteer Savings budgets have varied widely from year to year, peaking in the mid-1990s and then gradually tapering off to become the smallest of the three budgets today. This is a reflection of the source of grant funding: budgets are highly sensitive to the interest rate applied to postal savings, and that has declined and stayed low over the last twenty years. Average budgets and project numbers also show considerable variation over time. The program funded an average of 236 projects annually from 1991–2001, but 83 from 2002–2012. Given the limited amount of funding compared to the MOFA program, it is also clear that the MPT subsidy scheme has tended to fund many small projects while MOFA has tended to fund fewer but larger projects.

Table 3 Allocation of KNCF Budgets Over Time and Total NGO Projects Funded (FY 2002–2013)

FY	Projects(n)	Budget (¥10000)	Average Budget (¥10000)
1993	7	10,304	1,472
1994	18	11,764	654
1995	33	13,731	416
1996	38	13,199	347
1997	36	17,205	478
1998	41	16,310	398
1999	38	13,449	354
2000	70	15,500	221
2001	67	13,445	201
2002	73	12,760	175
2003	65	13,972	215
2004	67	15,460	231
2005	60	15,000	250
2006	63	16,000	254
2007	59	18,470	313
2008	65	20,300	312
2009	61	19,710	323
2010	56	19,400	346
2011	63	18,198	289
2012	60	16,900	282
2013	61	15,900	261

Source: Compiled by the authors based on data from Keidanren Nature Conservation Fund 21 years of activity results report.

Keidanren funding for NGOs' environmental projects has been stable across time while at much lower levels than either of the official grant programs at their peaks. The scale of KNCF funding, however, is roughly comparable with the Postal Volunteer Savings program since 2000. KNCF funded an average of just over 38 projects per year from 1993–2001, then 63 thereafter. This suggests a preference for smaller projects with average budgets closer to Postal Volunteer Savings than NGO Grassroots funding.

Geographic Distributions

The results of the research on geographic distributions of projects among the three subsidy schemes are presented in figures 1 through 4. Figure 1 reports the results of the JICA survey taken in 2006 of 277 NGOs (JICA 2008) and is taken as a comparative baseline for Figures 2–4, which report data for the MOFA NGO Grassroots grant program, the POSIVA program, and the KNCF, respectively. As the figures show, Asia takes primacy of place, followed by Africa, across all three schemes. These results are in line with the JICA data. The finding on geographic distributions of projects funded by the various subsidy schemes is consistent with the JICA survey (2008); with surveys that simply asked where NGOs work abroad (JANIC 1994; JICA 2008; Nanzan University NGO Research Group 2003) as well as those that examined effects of official subsidies on NGO choices (Kim and Potter 2014). The emphasis on these two regions and their priority relative to one another is clearly a durable feature of assistance by Japanese NGOs.

Note also the sharp drop-off in projects to regions other than Asia and Africa. This is consistent across all three subsidy schemes and the JICA survey. Yet, there is variation in

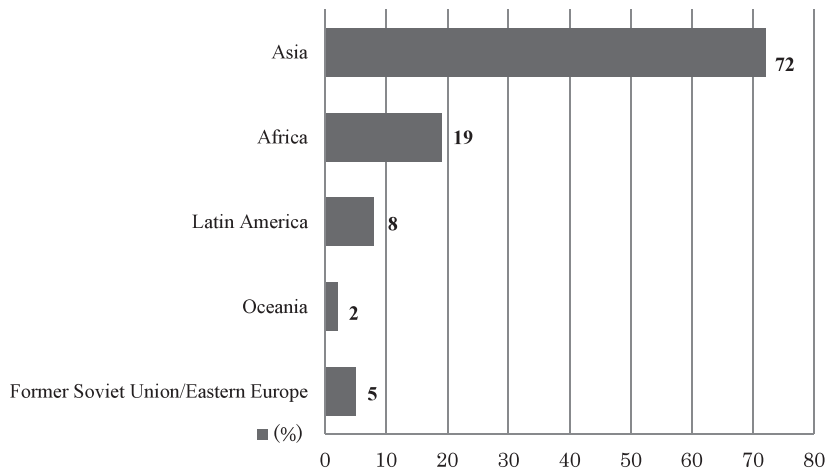


Figure 1 Geographic Distribution of Japanese NGO Projects

Source: Compiled by the authors from JICA, *Understanding Japanese NGOs from Facts and Practices*, 2008, p. 14

geographic distribution among the less popular regions. Note that NGO projects in the Middle East received the third largest number of MOFA grants (Figure 1), ranked fourth among Postal Savings projects (Figure 2), but are not present at all in the KNCF data (Figure 3).

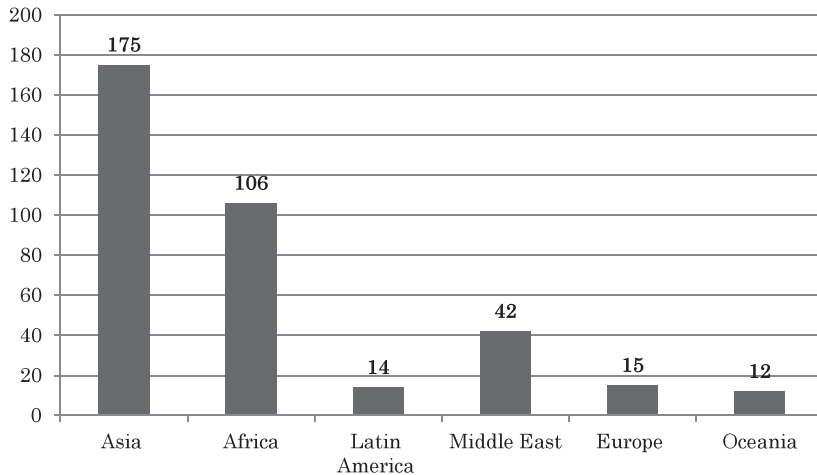


Figure 2 Geographic Distribution of MOFA NGO Grassroots Subsidy Projects by Region, FY 2002-2013

* Asia includes Southwest Asia, Eurasia and Caucasus, and NIS.

Source: compiled by the authors based on the data from Ministry of Foreign Affairs of Japan HP

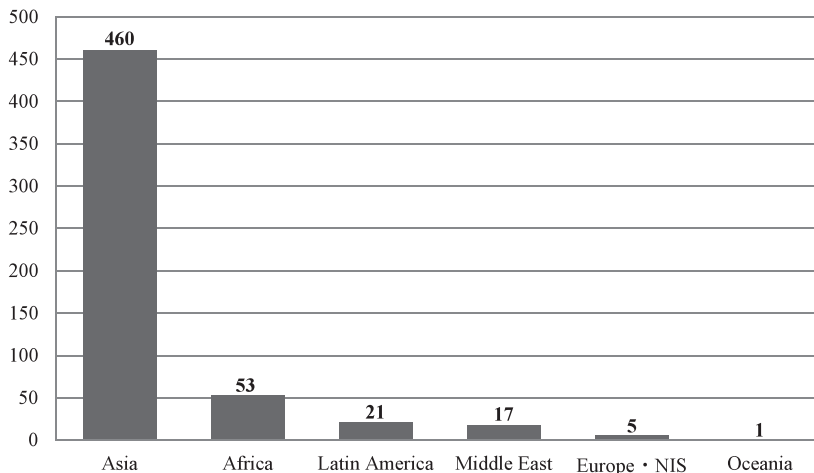


Figure 3 Geographic Distribution of Postal Volunteer Savings Projects by Region FY 2006-2012

Source: compiled by the authors based on data from Japan Post Bank HP 寄附金配分事業 (2006-2012)

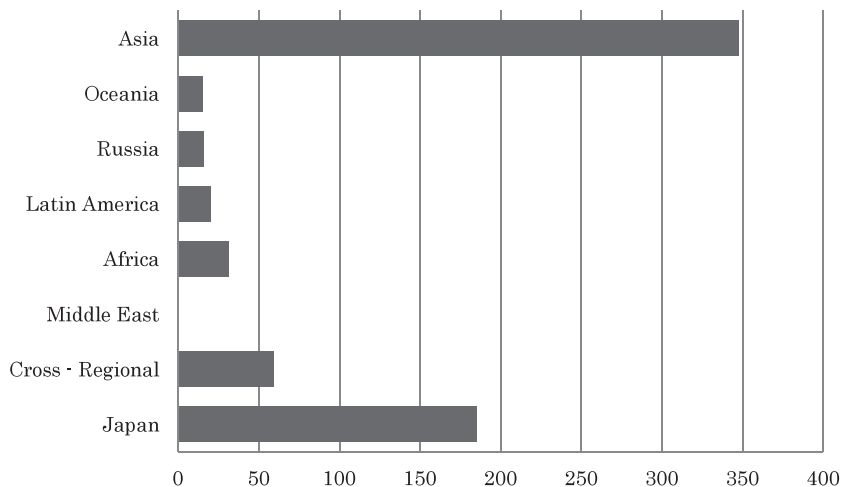


Figure 4 Geographic Distribution of KNCF Projects by Regions FY 2003–2013
 Source: Compiled by the authors based on data from Keidanren Nature Conservation Fund 21 years of activity results report.

Sectoral distributions

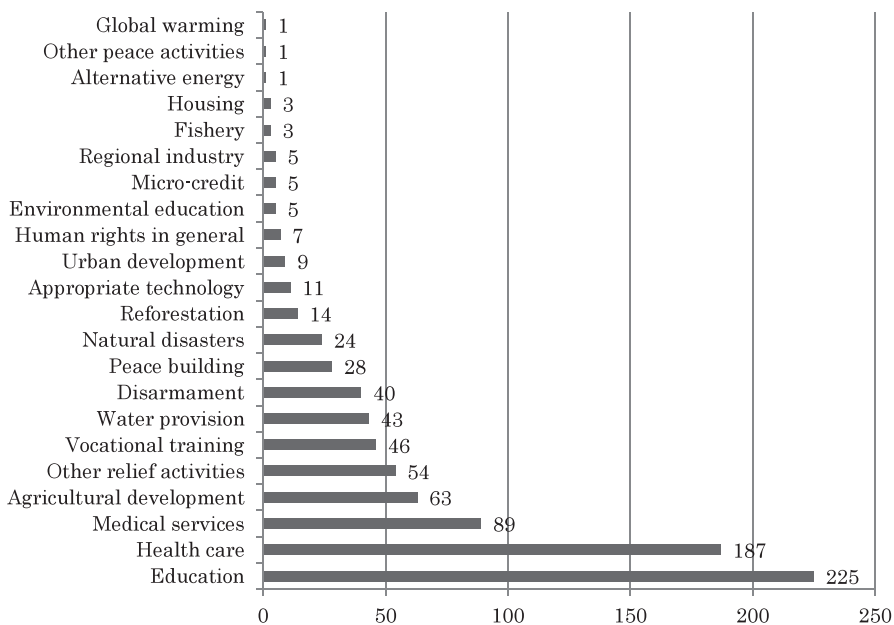


Figure 5 Sectoral Distribution of MOFA NGO Grassroots Subsidy Projects FY 2006–2012

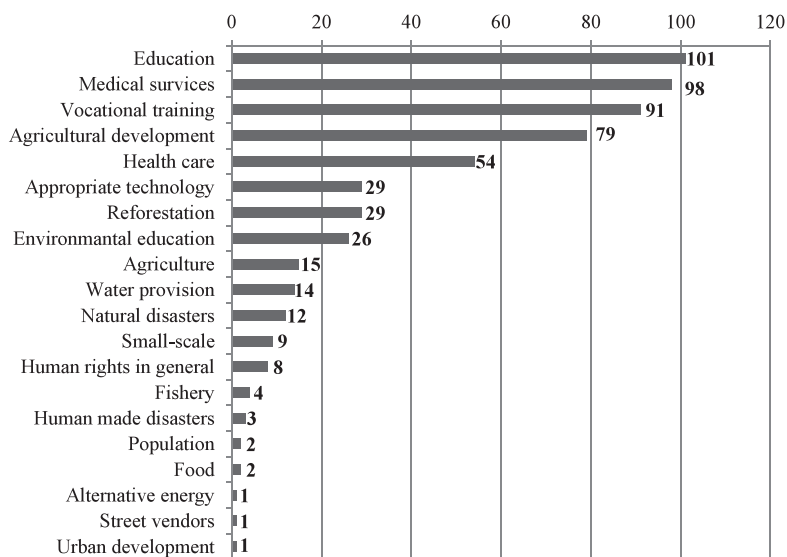


Figure 6 Sectoral Distribution of Postal Volunteer Savings Projects, FY 2006-2012

Source: compiled by the authors based on data from Japan Post Bank HP 寄附金配分事業 (2006-2012)

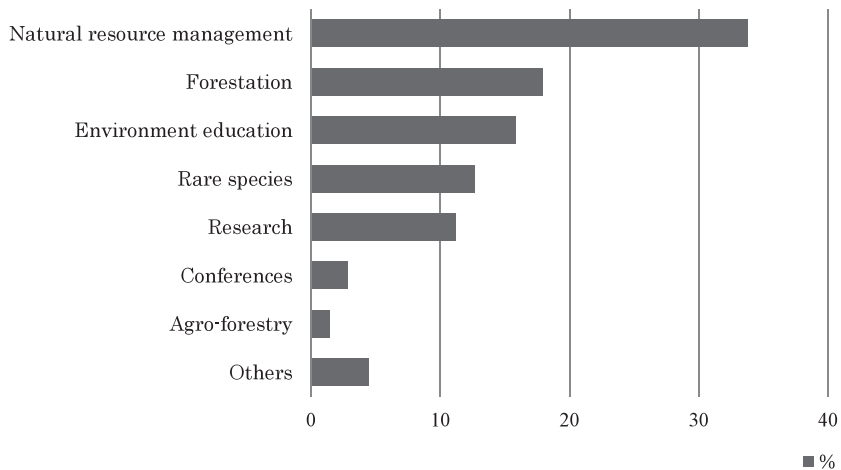


Figure 7 Sectoral Distribution of KNCF Projects, FY 2001-2010

Source: Compiled by the authors based on data from 2010 Keidanren Nature Conservation Fund

Discussion

As noted above, all three subsidies favor projects in Asia and Africa. In addition, note that education, health, medical services, agricultural development, and vocational training rank highly among NGO activities in both the MOFA and POSIVA data sets. Conversely, human rights activities are not popular in either program. This is consistent with other surveys of NGO activity (JANIC 1994; JICA 2008). Pekkanen (2006) notes that the Japanese nonprofit sector in general tends to focus on service provision and not advocacy and argues that this reflects state preferences and therefore official support for certain kinds of nonprofit activities and not others. While this may not be deliberate policy in the public grant programs studied in this research, the same tendency is remarkable and warrants further investigation.

There are a number of points of difference among the schemes. Peace building and disarmament are moderately well represented in the MOFA program but absent in the Postal Volunteer Savings program. This clearly reflects MOFA priorities in peacebuilding since 2000 (see Potter 2015.) The data can therefore be understood as NGOs responding to a new issue area assigned priority by the donor. The effect of this preference can also be seen in the geographic distribution of MOFA grants. Note that the Middle East has the third highest number of projects funded by MOFA grants (Figure 1 above). This reflects NGO-ODA collaboration in Iraq and Afghanistan especially. There was a clear division of geographic responsibility between ODA grant projects and NGO projects in Iraq after 2003, for example (Potter 2004, 2015).

Note that the KNCF activity data are completely different from either of the government subsidy programs discussed above. This reflects the specialized focus on environmental issues by the KNCF.

The Usual Suspects?

Are some NGOs consistent recipients of each type of subsidy? Are there NGOs that have received more than one type of subsidy? If so, why? To investigate this issue the research team collected the names of NGOs receiving each type of subsidy and counted the number of times a NGO received a grant from the donor. From that pool the team identified the top twenty recipients of each type of grant. The data are presented in Table 4.

Most of the overlap among top twenty NGOs occurs between the MOFA and POSIVA subsidies. Only one NGO, the Nihon Kokusai Volunteer Center, is among the top twenty across all subsidy programs and is in fact among the top ten of each. The Center carries out projects for regional development, among others, a category that includes environmental projects. In fact, the Center has received support for environmental projects from both MOFA and KNCF. Aside from the Center, four NGOs (AMDA, Kokkyo naki Kodomotachi, Shanti Volunteer Association, and Shapla-Neer) are among the MOFA and POSIVA top twenty.

The authors finally examined the reasons why this overlap occurs. First, the overlap

Table 4 Top 20 NGOs by Number of Projects

外務省 Ministry of Foreign Affairs		国際ボランティア貯金 Postal Volunteer Savings		経団連 KNCF	
Organization name	No.	Organization name	No.	Organization name	No.
(特*) AMDA アムダ	57	(特) 日本口唇口蓋裂協会	15	(特) 日本国際ボランティアセンター	17
(特) 日本地雷処理を支援する会	47	(特) 日本医学歯学情報機構	14	(社) 日本国際民間協力会	16
(特) 難民を助ける会 (AAR)	40	(特) 日本国際ボランティアセンター	14	(社) 日本環境教育フォーラム	15
(特) JEN	36	(特) 環境修復保全機構	12	日本・インドネシアオランダウォーターン保護調査委員会	11
(特) ピース・ウインズ・ジャパン	31	(特) 幼い難民を考える会	12	ニホンヤマネ保護研究グループ	11
(社) 日本国際民間協力会	30	アイユゴー遠上国の人と共に	11	マンクローブ植林大作戦連絡会	11
(社) セーブ・ザ・チャイルドレン・ジャパン	28	(特) AMDA アムダ	9	(特) 緑の地球ネットワーク	11
(特) 国境なき子どもたち	23	(特) JHP・学校をつくる会	9	(特) 屋久島うみがめ館	11
(特) 日本国際ボランティアセンター	22	DIFAR	8	(特) メコン・ウオッチ	10
(特) アリッジ・エーシヤ・ジャパン	21	(社) シャンティ国際ボランティア会	7	ラムサールセンター	10
(社) シャンティ国際ボランティア会	20	(特) アプカス	7	日本ウミガメ協議会	9
(特) ワールド・ビジョン・ジャパン	18	(特) 国境なき子どもたち	6	(特) 北の海の動物センター	8
(財) 国際労働財団	16	宮城国際支援の会	6	ザ・ネイチャー・コンサーバンション・ジャバ	8
(財) オイスカ	14	アジア友好ネットワーク	5	(特) 呼倫貝爾地域緑化推進協	8
(特) シェア＝国際保健協力市民の会	13	(特) シャプラニール＝市民による海外協力の会	5	FoE Japan	8
海外に子ども用車椅子を送る会	13	CRI＝チャルドレン・リソース・インターナショナル	5	(特) ICA 文化事業協会	8
ビーブルズ・ホープ・ジャパン	12	(特) ラブ グリーン ジャパン	5	新潟大学農学部付属フィールド化学教育研究センター	8
シャプラニール＝市民による海外協力の会	11	スランガンニ基金	5	(社) 日本マレーシア協会	8
ジーエムエイルンステイチュート	10	ネパールの星	4	緑のサヘル	7
ADRA	9	(特) アロアシヤ・プロジェクト	4	海外植物遺伝資源活動支援つくば協議会	7

Source: compiled by the authors based on data from Ministry of Foreign Affairs of Japan Annual Data by Fiscal Year (2002-2014), Japan Post Bank HP 寄附金配分事業 (2006-2012), Keidanren Nature Conservation Fund Results Report (2002-2010).

* (特) は「特定非営利活動法人」, (財) は「財団法人」, (社) は「社団法人」

among top recipients is probably related to the pattern of geographical distributions of projects between the MOFA and MPT subsidies. Due to budgetary and other limitations Japanese NGOs tend to concentrate on one or a few countries. Thus, the concentrations of recipient NGOs and country selection tend to reinforce each other. As with area of activity noted above, the divergence in NGO concentration between the two government grant schemes and the KNCF can be explained by the specialized nature of the latter.

Second, the authors cross-checked the NGOs in Table 4 against membership in Japan Platform, the 2013 TICAD IV NGO Forum, and the MOFA-NGO Regular Consultation (2008 and 2014). All of these are associated with the MOFA and its foreign policy priorities. Not surprisingly, the overlap between memberships in one or more of these programs is highly correlated with top twenty status in the MOFA subsidy scheme: twelve of the top twenty NGOs are members of one or more of the other MOFA programs. The correlation is weaker with POSIVA, where six of the top twenty are members of one or more of the other MOFA programs. Of these, five also appear in the MOFA top twenty. The correlation is weakest in the KNCF case, where just three are so affiliated.

This suggests a neo-corporatist pattern of interaction between MOFA and selected NGOs. This impression is reinforced when we consider the NGOs themselves. All are well-established. Eight among the MOFA top twenty are also among the top thirteen fund-raisers nation-wide (Nihon Fandoreijingu Kyoukai 2012, 33). Two of the MOFA top twenty, AMDA and AAR, are in consultative status with ECOSOC (AMDA is currently the only Japanese NGO in general consultative status). OISCA is not a member of the other MOFA programs but has a history of receiving ODA grants for technical assistance that dates back to the 1960s and the origins of Japan's aid program.

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要 旨

本研究では、日本における NGO 海外活動を支援する基金、すなわち外務省所轄「NGO 連携無償」、郵政省所轄「国際ボランティア貯金制度」、及び経団連所轄「自然保護基金」の比較調査の結果を発表する。また、研究では、助成金毎年度予算別、地域別、活動分野別、NGO 別配分の共通点と相違点を分析する。全ての助成金はアジアとアフリカでの活動を注目し、NGO 連携無償と国際ボランティア貯金は教育、健康・医療、農業開発案件等が多いことに対して、人権、アドヴォカシー案件が少ないことが分かった。その他に、NGO 連携無償と国際ボランティア貯金を多く受けている NGO が共通する団体が目立つ。反対に、基金の目的を反映する通り、自然保護基金が支援する活動と NGO が NGO 連携無償と国際ボランティア貯金の対象活動と団体と異なることが分かった。

結果、本研究を巡る政府と NGO との協力関係の更なる検討をする必要がある。