

The Private Sector in International Exchange

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THE INTERNATIONAL ACTIVITIES of nongovernmental organizations are an increasingly prominent subject of media news coverage in Japan today, and grassroots programs led by local citizens, women, and other groups are the focus of particular attention. In October 1993, an informal Advisory Group on International Cultural Exchange, formed at the request of the prime minister (Morihiko Hosokawa) and consisting of nineteen scholars and private-sector leaders, submitted a report in June the following year (to subsequent prime minister Tsutomu Hata) that stressed the importance of private-level international exchange. It called for international exchange "that develops through the energy and resources of the private sector and local communities [and] whose dynamism derives from the initiative of individual citizens themselves."

As a professional dedicated to international exchange for nearly thirty years, I believe that the point where we stand today—with the cold war behind us and on the threshold of the so-called New Era—provides the occasion for careful reflection about the essential nature of our endeavors as well as for increased awareness of some of the urgent problems we face.

The points I believe we should address may be outlined as follows:

First, the new post-cold war international setting has paved the way for tremendous diversity and vigorous activity in private-level exchange, dramatically increasing the opportunities as well as the forums available.

Second, the phrases *international exchange* and *international cultural exchange* have assumed a broader meaning than they once held, with greater emphasis on *international cooperation* and intellectual and grassroots exchange. In these areas in particular, it is crucial that initiatives be handled in the private sector.

Third, while cooperative networks among individuals and organizations have expanded globally with the recent upsurge of private-level exchange, I am especially concerned that Japan may be left outside the world mainstream, because it does not take an active role in these networks.

Fourth, the growth of nongovernmental and nonprofit organizations is very slow in Japan by international standards, which is one of the major reasons Japan's exchange efforts lag far behind its growing influence in the international community.

And fifth, there seems to be inadequate awareness in the national government of the importance of international exchange. Systems for facilitating private-sector activities in international exchange need to be radically and expeditiously strengthened on the national level to assure both more constructive relations with other countries and the proper fulfillment of Japan's international responsibilities.

I. More Attention to the Private Sector

Lester M. Salamon's essay, "The Rise of the Nonprofit Sector," has prompted much discussion among opinion leaders both in Japan and elsewhere. Based on a comparative study of nonprofit and nongovernmental organizations conducted jointly by specialists from fourteen countries under Salamon's supervision, the paper reports that nonprofit-sector activities are expanding explosively, a situation it describes as an "associational revolution," the import of which "may prove to be as significant to the latter half of the twentieth century as the rise of the nation-state was to the latter nineteenth."¹

There is no doubt that the phenomenon described in the report is taking place even in the realms of international relations and exchange activities, as demonstrated by a proliferation of media reports on the endeavors of nonprofit, nongovernmental organizations. In December 1994 the Japan Center for International Exchange (JCIE) released its "Survey on Nongovern-

mental Underpinnings of the Emerging Asia Pacific Regional Community,” concerning nonprofit activities. This report described the vigorous activities of nongovernmental organizations and private research and philanthropic institutions being set up in increasing numbers in the region’s fifteen nations. These private groups, it added, are helping to strengthen solidarity across national borders and actively propelling cooperation not just within the Asia Pacific framework but on a global scale as well.²

The view based on this worldwide trend, such as expressed by Akira Kojima,³ that “private citizen-initiated activities transcending national borders are in the process of changing relations among nations,” is gaining growing support in Japan. In order to consider what private-level exchange really ought to be, I believe it is necessary to have a thorough understanding of the backdrop against which nongovernmental and nonprofit organizations have come to exert more influence than ever before.

In a recently published article, Yoichi Funabashi, North American bureau chief for the *Asahi Shimbun* and winner of the 1994 Japan National Press Club Award, discusses the correlation between the changes in the international community and the emergence of “civilian power.”⁴ He maintains that the drastic changes that have occurred on both the domestic and international scenes since the beginning of the 1970s provide a backdrop for the increased power of nongovernmental organizations. Many countries’ governments, says Funabashi, have become aware of the relative decline in the influence of state sovereignty in the new age, and are groping for ways of working with nongovernmental organizations.

Indeed, this development is reflected in the recent remarks and statements by the leaders of many nations. In a keynote speech at a conference of representatives of private foundations and nongovernmental organizations from Asia Pacific nations held in Seoul in August 1993, Republic of Korea Minister of Foreign Affairs Han Sung-Joo discussed the fundamental principles of his country’s new diplomacy, stressing the importance of diversifying the issues as well as the actors in international relations. “Diplomacy should not be the exclusive domain of the government alone,” declared Han. “It should also be supported by people-to-people diplomacy undertaken by both individuals and private organizations.”

Emphasis on the role of the private sector in foreign affairs, as Han’s speech suggested, is all the more significant when it is expressed by leaders

of countries that accorded top priority to state sovereignty until very recently, signaling the unmistakable rise of civil society in many countries.

Salamon's term "associational revolution" was translated into Japanese by Funabashi as *sanshu kakumei* (lit., "get-together revolution") and as *rentai kakumei* ("solidarity revolution") in the *Chuo Koron* journal's Japanese edition of the Salamon article. Both aptly describe the phenomenon Salamon describes—the global trend whereby private organizations have begun to pursue public objectives outside the framework of government, by mobilizing power generated through "solidarity" of citizens who "get together" for a given cause. With civil society on the rise globally, the solidarity and coalescence of groups behind public objectives have started to occur regardless of national boundaries. Private-level international exchange, therefore, carries all the more importance in this new age.

II. Postwar Development of Private-level Exchange

The content and function of exchange activities have broadened with developments in the international environment and Japan's expanding place in the global community since World War II, and the changes seem to be linked to the growth of private-sector exchange.

In Japan for some time after the war, international exchange was thought to be a means of recovering from the ravages of war and achieving economic growth. It also tended to be seen as a way for restoring and promoting friendly ties with other nations. Many young Japanese went to the United States to study under GARIOA fellowships and on Fulbright Commission grants. Those programs formed the core of international exchange at that time.

As time went by, however, frictions between Japan-U.S. relations increased over textiles and other trade issues, the reversion of Okinawa to Japanese sovereignty, the security treaty, the Vietnam War, and the "Nixon shocks" (U.S. president Richard Nixon's 1971 announcements—without prior notification to Japan—of his plan to normalize relations with China and to abandon the gold standard). As bilateral relations began to seriously deteriorate, promotion of dialogue for better mutual understanding became the new focus of international exchange. The beginning of organized ef-

forts to promote intellectual exchange was the Dartmouth Conference, bringing together representatives of nongovernmental organizations from the United States and Japan, held in 1964 under the cosponsorship of the International House of Japan and Dartmouth College in New Hampshire. In 1967, the Japan Council for International Understanding (JCIE's predecessor) and the American Assembly jointly held a conference in Shimoda, Shizuoka Prefecture, in which many opinion leaders from Japan and the United States participated. Repeated every two to three years, the Shimoda Conferences, which drew much attention in the media, became almost a symbol of Japan-U.S. policy dialogue.

During the early postwar period, almost all exchange programs were carried out at the initiative of the United States and with funds provided from American sources. The Fulbright program, for example, was supported by a U.S. government grant, but actually administered by a governing board of learned individuals from both Japan and the United States. Most other programs were launched with grants from private foundations such as the Ford Foundation and the Rockefeller Foundation. John Foster Dulles (later U.S. secretary of state), who visited Japan in 1951 for prior consultations with the Japanese government regarding the signing of the peace treaty in San Francisco, commissioned John D. Rockefeller III as advisor to the U.S. negotiation team in order to facilitate the implementation of cultural exchange between the U.S. government and Japan.

Rockefeller opposed the thinking of Dulles and others, who favored exchange mainly to discourage the leftist tendencies of Japanese intellectuals. He argued passionately against U.S.-dominated exchange and for a long-term vision oriented to mutual exchange. In a recently declassified memo written by Rockefeller to Dulles, the philanthropist emphasized what he thought the long-term objectives of exchange should be: "to bring our peoples closer together in their appreciation and understanding of each other and their respective ways of life, to enrich our respective cultures through such exchange and to assist each other in solving mutual problems."⁵

I believe the fact that private-sector organizations and individuals in the United States were exerting considerable influence in Japan-U.S. relations in the years immediately after the war is very significant. One of the fruits of such endeavors was the International House of Japan, a foundation set up by journalist Shigeharu Matsumoto (1899–1989) with the cooperation of

John D. Rockefeller III. The Rockefeller family has shown a deep commitment to bilateral exchange and played an enormous role in postwar ties between Japan and the United States.

There can be little discussion of private-level international exchange in Japan without mention of Shigeharu Matsumoto, not only because of his achievements in founding the International House of Japan, but because of the manner in which he administered it. His pioneering role was in establishing in Japan a pattern of independent activity by private organizations. While maintaining the integrity and autonomy of International House, he also solicited the cooperation of American foundations and built up close ties with the Japanese government. Matsumoto firmly believed that private organizations were superior to public in the effective promotion of international exchange, and, as a man of action, he had the capabilities needed to translate his convictions into practice. To match the ¥250 million grant provided by John D. Rockefeller III to realize the International House of Japan as a private organization for facilitating international exchange from a long-term perspective as proposed in the memo to Dulles, Matsumoto collected ¥100 million in contributions from Japanese corporations, an extraordinary amount considering the situation in this country at that time. Convinced that inviting intellectual leaders from abroad to come to Japan was an endeavor that had to be carried out by the private sector, Matsumoto became a zealous fund raiser.

When we began the Shimoda Conferences and the exchange programs for Japanese and U.S. parliamentary members through the Japan Council for International Understanding led by Tokusaburo Kosaka (at first an industrial leader and later member of the Diet), as well as later, when I set up JCIE independently, Matsumoto provided invaluable advice. It was the model he provided that led me to request Kosaka and corporate leaders for donations to help match the Ford Foundation grant when the Shimoda Conference was held. He also gave me very wise and concrete pointers for helping me decide what kind of relationships to cultivate with government agencies.

Until the mid-1970s, there were virtually only two organizations active in international exchange on the nongovernmental level—the International House of Japan, founded in 1952, and JCIE, whose substantive activities got started on a smaller scale right in the mid-1960s. The fact that Shigeharu

Matsumoto and the International House launched private-sector international exchange in Japan, with Rockefeller help, this early in Japan is of great significance.

III. Changes Parallel Economic Growth

David Rockefeller was personally responsible for the founding of the Trilateral Commission⁶ as a private forum for encouraging cooperation among citizens of Western Europe, Japan, and North America. He had begun to call for steps to bridge the gaps between Japan on the one hand and Europe and the United States on the other in 1971 and conceived the idea of an organization to take charge of joint research and dialogue among private leaders of the industrialized countries. International issues had been resolved through cooperation between the United States and Europe until the mid-1970s, but after that it was no longer possible to deal effectively with them without the participation of Japan, now a major economic power. With the cooperation of (then professor at Columbia University) Zbigniew Brzezinski and others, the Trilateral Commission was established in 1973.

The Japanese economy achieved remarkable growth from the late 1960s through the mid-1970s, and Japan's international influence increased rapidly. Its relations with the international community underwent drastic changes. It was around that time that requests began to flow in asking for Japanese experts in various fields to take part in international conferences and research projects on various themes sponsored by private research institutions and international exchange organizations overseas. Policy-oriented international dialogue and joint policy research occupied a growing proportion in the realm of international exchange. Moving beyond the long-standing interest in Japanese culture in the narrow sense, other countries showed rising interest in what kind of role the economic power Japan would play in the world. It became urgent for Japan to involve itself in private international exchange on a new dimension, and make it more substantive.

The rapid growth period spawned a think tank boom, as large corporations and corporate groups sought to respond to the changes in the international environment and in Japan's place in the world community, as well as to the complexity and diversification of domestic economic and social

issues, and the dramatic increase in corporations' financial capacity. Another factor was the widespread recognition that the research and information available through government agencies alone was not enough to deal with the increasingly complex economic and social tasks the country was facing. In the early stages, these think tanks tended to focus on domestic issues such as urban problems, but by the mid-1970s there were many research institutions vigorously engaged in international projects, including some set up in the 1960s. Among the better known are the Japan Center for Economic Research, Nomura Research Institute, and Mitsubishi Research Institute. In 1974, the Economic Planning Agency took the initiative in establishing the public corporation National Institute for Research Advancement (NIRA). In 1975, the Japan Association of Independent Research Institutes was organized, further encouraging the activities of these institutions. Only a few specialized in international relations themes, however, and they were mainly set up at the initiative of government agencies, including the Japan Institute of International Affairs (founded in 1960; affiliated with the Ministry of Foreign Affairs), the Institute of Developing Economies (1960; Ministry of International Trade and Industry), and the Research Institute for Peace and Security (1978; Ministry of Foreign Affairs and the Defense Agency).

Large corporations and corporate groups also became interested in setting up private foundations in the 1970s. Among those organized at that time to provide funds for joint research on international relations and policy-oriented exchange activities were the Toyota Foundation (1974), Mitsubishi Foundation (1969), Nippon Life Insurance Foundation (1979), and Suntory Foundation (1979). Japanese corporations also began making more substantial donations to leading universities and research institutions in the United States. The Mitsubishi group donation of one million dollars to Harvard University in 1972 is an example. Also in 1972, the Japan Foundation was established as a public corporation aimed at promoting better understanding of Japan overseas. Thus the 1970s was a decade when the necessity for new developments in international exchange of various sorts was keenly felt.

IV. Japan's "Associational Revolution"

The emergence of grassroots international exchange conducted with the participation of citizens in many walks of life is a relatively new phenomenon in Japan that appeared starting in the mid-1980s. It occurred partly because of rising awareness on the part of ordinary Japanese of the deepening interdependence among nations. In the wake of the Plaza accord of 1985, Japan's direct overseas investments rose sharply, resulting in increasing opportunities for actual contact with people of other countries. Japanese corporations began to build factories in the United States and other parts of the world, and rising numbers of Japanese employees, with their families, found themselves living for extended periods overseas. Despite the inevitable social frictions, they began taking part in community activities and undertaking various exchange efforts in the endeavor to become "good corporate citizens."

Within Japan, the promotion of internationalization and international exchange that had begun in the 1970s as part of the campaign to combat the population and culture drain in local communities grew even more lively around 1985. Under the banner of "reinvigorating regional society," the national government launched a program in 1988–89 providing ¥100 million grants for every city, town, and village in the country, and these funds added further impetus to grassroots international exchange efforts. Closer relations with other countries, it was thought, would bring benefits to local society, so greater openness to the outside was a necessity.

Also in the latter 1980s, the number of foreign workers in Japan dramatically increased, making the sight of people from the Middle East, Southeast Asia, and Latin America more common than ever in Japanese history. With the revision of the Immigration Law in 1990, moreover, large numbers of people of Japanese descent from South America also came to find jobs. Engaged by construction companies and factories not just in urban but rural areas as well, foreign workers became a more immediate presence for ordinary Japanese. More and more students from the rest of Asia were enrolled at universities not only in Tokyo and other major cities but throughout the country. Many local governments, which had never had to deal with foreign residents before, found themselves faced with a completely new set of tasks. To help them surmount the new linguistic, cultural, and adminis-

trative problems, the Japan Intercultural Academy of Municipalities was established in 1990 at the initiative of the Ministry of Home Affairs, to offer three-month training courses for local government employees.

As people from other countries began to mingle in local communities day to day, the functions of international exchange diversified. The weight of grassroots programs has increased, so that the core of international exchange now includes helping foreign residents in the community; aid for refugees in Indochina (which leads in turn to development assistance initiatives in the region); educational and exchange activities designed to promote understanding of and respect for other cultures and standards of value, especially of the peoples from other parts of Asia, many of whom live in Japan; and cooperation in preservation of the environment, a task which needs to be tackled together with neighboring countries.

The driving forces of these activities today are NGOs, volunteer groups, and grassroots organizations. Coming into contact with the young men and women leaders of these groups, with their tremendous energy and a strong sense of mission, one keenly realizes that Salamon's associational revolution is brewing in Japan, too. In most cases, these organizations are involved—as in the case of helping foreign laborers adjust to community life—in dealing with problems that the government is either unable or too slow to address, and this kind of activity is almost unprecedented in Japanese history. These endeavors are inspired by the strong conviction of the participants that they can be more effective in some areas than the government.

According to an *Asahi Shimbun* survey, regional volunteer groups rapidly proliferated in 1988–93; of some three hundred organizations and groups surveyed, about half were founded during the period. Many are engaged in activities related to developing countries in Asia and other regions, including providing help to workers from those regions, says the survey. The upsurge of movements of this kind coincided with the time when the estimated number of foreign workers rose sharply from 700,000 as of 1985 to 1,200,000 during the late 1980s and early 1990s.

The growth of regional cross-cultural activities that occurred in tandem with a movement to reinvigorate regional society, was manifested in part by the drastic increase of sister city relationships formed by local cities with overseas counterparts starting in the 1980s. Their number stood at 85 in

1970–74 and 102 in 1975–79, but jumped up to 189 in 1980–84, to 232 in 1985–89, and 273 in the period from 1990 through mid-1994. Most of them, responding to the needs of the times, have on-going programs to promote educational exchange and encourage cooperation and interchange with their counterparts abroad in tackling problems shared by cities around the globe. Some cases of development assistance through sister city ties have appeared, too. To boost such efforts, a total of fifty-five Ministry of Home Affairs–authorized “regional internationalization societies” have been set up on the prefectural and municipal level. Semi-government/semi-private organizations of the so-called “third-sector” formula, many of them are led by personnel dispatched by prefectural or municipal governments. In some prefectures and cities headed by flexible-minded governors or mayors, however, staff from the private sector are given key positions in these organizations, with remarkable results.

V. Impediments to Private Sector Growth

With the increase of Japan’s influence in the world community, its international exchange activities diversified, and expectations that the private sector would play a more vital role in cross-cultural communications and understanding rose. Nevertheless, there are still very few nonprofit, nongovernmental organizations in Japan capable of implementing fruitful activities either on their own or in collaboration with similar organizations overseas. There is little indication, moreover, that private-level international exchange activities are growing as a general trend, or even in terms of scale and content, despite rising international expectations.

The main reasons can be summed up as follows:

First, Japan’s politico-social milieu is such that nonprofit, nongovernmental organizations are not as easy to nurture as in the United States and other nations. About seventy percent of private research institutions in Japan take the form of joint-stock corporations—not nonprofit groups—and depend heavily upon commissioned research projects from government or business corporations. They therefore mainly handle short-term, technical tasks, and are not well equipped to work with similar organizations overseas involved in research and exchange programs undertaken in a long-term

perspective or with freer, more flexible approaches. In Japan, the status of incorporated foundation can only be gained after dealing with many troublesome procedures, and offers few real administrative advantages.

It is especially difficult for nongovernmental organizations and grassroots groups—the new main actors in international exchange—to be incorporated. Most of them are treated as “not legally incorporated nonprofit organizations” or “voluntary groups” and enjoy no legal guarantees. Fund raising is difficult for them because of the relative absence of tax deductibility for contributions. They lack a strong financial base, and rarely possess competent, experienced staff capable of developing and implementing innovative programs. A number of nonprofit organizations from the United States and other nations have set up chapters in Japan, in hopes of working with Japanese institutions on common causes, but, although it is little known, most are forced to carry on without legally incorporated status. This imposes many handicaps: tight regulations and complex procedures for staff visas and difficulty in obtaining housing and opening offices, among others. Here again, the image of Japan as closed to the outside is ultimately confirmed.

Second, although Japanese foundations and corporations have been doing fairly well in scholarship and traditional cultural exchange, they tend to be unwilling to provide assistance in areas in which demand is now rising, such as for policy-related research and person-to-person interchange of opinion leaders for policy dialogue.

Third, neither research institutions nor foundations are equipped to adequately plan or carry out programs to meet the needs of the times, and very few private-sector organizations have staff specializing in specific fields of activity. It is crucial to learn from major foundations overseas about effective management of nonprofit organizations and qualifications required for regular staff.

The lack of qualified human resources is a major impediment to the development of private sector international exchange in Japan. This weakness seems attributable in part to the political culture of the country, in which policy tasks related to international or external affairs have been almost entirely entrusted to the national government. Another reason for the very limited number of persons in the private sector qualified to work in international relations is the tradition in scholarship that generally disdains the

study of policy or the pursuit of area studies. The paucity of Japanese capable of writing analytical essays for international conferences and research projects and engaging actively in discussion, either in English or Japanese, about Japan's international role is a frequent topic of consternation and concern among the few Japanese who are themselves internationally active. Ironically, most of the stalwarts of private-sector international exchange going back to the 1970s were former government bureaucrats, including Nobuhiko Ushiba (1909–84, former ambassador to the U.S.), Saburo Okita (1914–93, former foreign minister), and Naohiro Amaya (1925–94), former MITI vice-minister for international affairs). Notably, however, these individuals share several non-bureaucratic characteristics: they are distinct personalities, who know how to articulate their own views, who are flexible enough to listen to what foreign observers have to say, and above all, who are able to build personal ties of trust and friendship with individuals from other countries.

VI. Future Challenges

The problems pertaining to Japan's participation in international exchange and the impediments on the Japanese side that confront those people from other countries seeking exchange with Japan did not pose a major issue internationally until recently. This is partly because international exchange itself and the role of the private sector in exchange received far less attention than today. With the worldwide upsurge of the "associational revolution" and with Japan being increasingly expected to make an active contribution on the world stage, the poor representation of Japan's private-sector nongovernmental, nonprofit organizations in international networks for exchange activities has now become a matter of very serious concern. The regulations and restrictions that impede the growth of nonprofit organizations and the conduct of exchange activities may be criticized by other countries as further evidence of the closedness of Japanese society. As Sadako Ogata, United Nations High Commissioner for Refugees, once remarked, a major reason that Japanese relief activities in Rwanda are not widely recognized is that among the many nongovernmental organizations coming to the rescue there from around the world, there are very few from Japan. She

told how she, as a Japanese citizen, felt relieved and proud when she heard of the good reputation in Rwanda of a Japanese nongovernmental organization from the northern part of Kyushu, AEF International, for the support of education and other work in Africa. Aside from what criticism might come from overseas, the greater concern is that if a solid civil society is not established in Japan, we may be left out of the global networks through which citizens are pooling their resources and strengthening solidarity for common causes transcending national borders.

A number of substantive changes must be made to solve the problems faced in developing private-sector international exchange and in fostering a healthy civil society for the twenty-first century.

1. *Political Leaders' Awareness Must Grow:* The necessity of international exchange efforts on the private level is only growing in this new age, as I said earlier. From what we can observe, Japanese political leaders seem totally unaware of that urgent necessity. Politicians have enthusiastically entered debate over whether Japan should join the United Nations Security Council as a permanent member in order to make a greater contribution to international society, and over whether Japan should send Self Defense Forces personnel to participate in United Nations' peacekeeping operations, and these issues are themselves indisputably important. But legislators' interests seem to go little beyond that: they show practically no interest in discussing how Japan might strengthen private-sector organizations so as to make contributions to the world through international networks. It seems very odd that this topic has received so little attention at the state level, considering the fact that about half of the total budget for relief activities of the United Nations High Commissioner for Refugees are used by nongovernmental organizations from around the world. Of course, politicians should not intervene in private exchange activities, but I believe they should help to promote exchange activities by working to remove the social and administrative impediments and supporting budgetary measures and policy steps as are necessary.

2. *Private-level Attitudes Must Change:* Despite the diversification of people's needs in society and the expansion of external relations beyond solely government-to-government ties, the proclivity of the Japanese people to de-

pend upon the government for almost everything is a major hindrance to the promotion of the private sector's role in international exchange. Many people working in nonprofit exchange share a common experience: When we visit businesses to solicit donations for international exchange activities, we are refused with the argument that such activities should be undertaken by the government. In this essay I have already criticized the government and presented proposals for what should be done to remedy the situation. It is imperative, however, that those who undertake nonprofit activities recognize that only by demonstrating the significance of their activities can they impress bureaucrats and politicians with the need to take action. Nonprofit organizations should be more aggressive, striving harder to increase their expertise so as to undertake sustained and professional activities in areas the government cannot adequately handle. As professional expertise increases, the government and international institutions will be more ready to provide funding to private-sector organizations and entrust them with work in specific areas, such as refugee relief and development cooperation. Especially with the increasing cohesion of nonprofit organizations through worldwide networks, it is crucial that Japanese nonprofit organizations have professionally qualified, permanent staff.

3. Bureaucratic Thinking Must Change: A fundamental problem is the rigid conviction on the part of the bureaucracy that it is in the position to "guide and direct" private-sector organizations. Nonprofit organizations incorporated for the purposes of promoting the public good should not be allowed, of course, to be irresponsible in their behavior, and they should be obliged to abide by certain regulations and agreements. However, the bureaucrats' belief that private organizations cannot be responsibly administered without direction and administrative guidance from above is hard for many involved in exchange activities to accept. In fact, an increasing number of organizations intentionally reject the option of incorporation and take the form of a joint-stock corporation.

The bureaucrats must change their attitude at least far enough to recognize that private-sector organizations have a certain degree of advantage. In order for Japan to actively join the global networks of private research institutions, foundations, and nongovernmental organizations, there must be sufficient numbers of properly equipped private-sector organizations, since

what semi-governmental organizations can accomplish in this area has its limits. Moreover, as the neutrality of such organizations is respected in increasing numbers of countries including the United States, it should be borne in mind that any exchange activity conducted by government agencies or semi-government organizations is likely to be seen as government propaganda.

4. *Nonprofit Groups Must Be Accountable:* In order for people in private-sector organizations to justify their criticisms and complaints vis-à-vis the government, they have to be accountable for their own activities. It is necessary, in this connection, that they make their programs as transparent as possible, not only by publishing regular financial statements and reports of their activities, but by strictly refraining from anything that might be mistaken for profit-making or political activities. Probably out of lack of adequate knowledge about public-benefit corporations, the mass media sometimes suggest that they be subject to even stricter government restrictions. In addition to efforts to rectify such misconceptions, private-sector nonprofit corporations have to be keenly aware of the increased necessity for responsible action.

5. *Organizations Need To Be Strengthened with Trained Personnel:* A major factor behind the sluggish progress in international exchange despite increased support for its promotion is the shortage of private-sector organizations with personnel who can plan and implement exchange programs. Very few organizations have professional staff. Recently, the government began appropriating funds to assist nongovernmental organizations, but they are generally prescribed for the funding of support programs, with little remaining to help bear personnel and office costs. Ways must be found so that grants from the government and through such public corporations as the Japan Foundation can be used to strengthen the infrastructure of private-sector nonprofit organizations. The urgent challenge, in fact, is how to use public funding effectively in private-sector organizations and their activities. One approach that may have to be adopted is to set up intermediary organizations with professional staff, that would be entrusted with government funds to be administered through their governing boards—as in the case of the Asia Foundation and national endowments of various sorts

in the United States. Government funds can be used to directly subsidize private-sector organizations, as in the case of subsidies for research institutes, but the issue of neutrality is bound to arise when international activities are involved.

These proposals I have mentioned may be difficult to materialize as long as Japanese bureaucrats continue to believe that they and only they are capable of supervising and controlling how tax funds are used. I submit them as challenges deserving of further study, given the fact not only that such intermediary organizations as the Japan Foundation's Center for Global Partnership, which undertakes neutral and international activities, are winning recognition among Americans, who are invariably skeptical of government-related organization activities, but also that the comparative research of fourteen countries conducted by Salamon reveals that nonprofit organizations in these countries (educational foundations and medical corporations included) depend on an average of eighty percent upon public funds.

VII. The Individual as Pivot of International Exchange

Looking back over the nearly fifty years since the end of the war, I have discussed the private-sector role in international exchange. In content it has greatly diversified, opportunities for exchange at the private level have increased, and it is now an urgent matter that we learn how to deal properly with these new developments. What strikes me as most important is the role individuals can play in international exchange activities. In the post-war history of exchange, prominent individuals gave palpable shape and direction to exchange activities at each phase of history—Shigeharu Matsumoto, John D. Rockefeller III and his brother David Rockefeller, Saburo Okita, and Nobuhiko Ushiba. I doubt that such giants will appear again, but I am not discouraged because of the tremendous upsurge of new leaders emerging in nongovernmental organizations, local exchange organizations, and volunteer groups popping up in large numbers throughout the country.

It is quite exciting to see how many young activists, women volunteers,

and employees of large corporations are engaged in international exchange efforts of various types on the private level, and the staff of “third-sector” organizations are serving as the catalysts for cooperation between the government and the private sector. Despite the obstacles and constraints, they work tirelessly to pursue their objectives in international exchange, cooperating on a basis of mutual trust and friendship with individuals and groups with similar objectives in Japan and overseas. Among these people are artists, who are the embodiment of exchange activities in the borderless world of art. Individual leadership, needless to say, provides the spark for the associational revolution. In that sense, the rise of new leaders in international exchange, though their ranks are still far from adequate, offer great hope for the future of Japanese international exchange.

The old pioneers and the new young leaders in international exchange are akin in that they are unabashed individuals and that they prize heart-to-heart, person-to-person communication and try their best to build and maintain interpersonal relationships. They enjoy meeting people from other countries for the betterment of the public good, and are deeply moved by the experience of people from different cultures understanding one another. Inspired by such experiences, though working in a milieu in which individuals and institutions are often in conflict, they spare no effort to expand international exchange activities so that more people can participate. They support and promote international exchange as individuals and on the private level, despite the obstacles. Shigeharu Matsumoto once said, “International exchange begins and ends with people.” In the New Era, I feel, these words will carry great weight.

Notes

1. Lester M. Salamon, "The Rise of the Nonprofit Sector" in *Foreign Affairs* (July-August 1994), p. 109. Published in Japanese in the October 1994 issue of the monthly *Chuo Koron*.
2. The report was co-published by JCIE and the Institute of Southeast Asian Studies in Singapore in September 1995 under the title, *Emerging Civil Society in the Asia Pacific Community: Nongovernmental Underpinnings of the Emerging Asia Pacific Regional Community*.
3. Akira Kojima "NGO sekaiteki rentai jidai ni" [NGOs, an Age of Global Solidarity] in *Nihon Keizai Shimbun* (August 14, 1994).
4. Feature issue on private-sector international exchange of *Kokusai Koryu*, Vol. 66, 1995, published by The Japan Foundation.
5. "United States-Japanese Cultural Relations, Report to Ambassador Dulles" 16 April 1951, pp. 1-2.
6. See *Kokusai*, No. 66, pp. 49-50.