

SESSION III : Priorities of International Philanthropy

The Need for Professional Assistance and Tax Exemption for Japanese International Philanthropy

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In 1958, when I was a Bureau Chief in the Economic Planning Agency, I spent five months visiting twenty countries throughout the world, at the invitation of the Rockefeller Foundation. The experience I gained was extremely useful later in the designing of Japan's "Doubling National Income" plan. I think Japanese foundations should support similar types of activity much more aggressively. Of the countless international conferences which are held, the majority have received support from the Rockefeller, Ford, or other foundations. It is certain that without the initiative of these foundations there would have been very few such conferences.

The role of foundations is to respond flexibly to new ideas, and to provide the funds necessary to develop such ideas. Any new endeavor, whether investment in human resources or support for research, involves some risk, and is thus not at all easily taken up by governments or international institutions. There are many cases where foundations have provided the money to start a project, and when it can demonstrate a certain level of successful results, government begins to cooperate. In fact, most of the world's 13 or 14 international agricultural research institutions, whose research has increased Asia's rice production and resulted in Mexico's high yielding varieties of wheat and corn, were initially made possible by support from foundations.

The problem of international cooperation in the Pacific Rim region has been similar. In the 20 years since the first conference regarding that issue was held in Tokyo, research has continued through cooperation among foundations. These foundations have played an important role, not only in research, but also in the formation of specific policies.

In Japan recently, international concern and awareness has been increasing. In the period of a year, some \$50 million was raised for famine relief in Africa. Philanthropic activities are establishing a foothold. But, as in the past, internationally oriented activities are still small. Cooperative aid to developing countries is especially inadequate.

The Japanese government has decided to double its official development assistance (ODA) over a 7-year period, with the total for that period to exceed \$40 billion. But in order for this ODA to be used effectively, there should be tie-ups with private activities.

On the other hand, when a private business enterprise is asked to make philanthropic contributions to a developing country, the corporation often responds by asking how it would directly benefit. Japan is expected to fulfill a major future international role, but up to now it has had an image as a selfish country that "merely sells cheap, good manufactured products." From now on, Japanese corporations must utilize the resources of professionals in the philanthropy field to select what kinds of philanthropy they will undertake, and then develop a broad range of activities. For this purpose, the private sector should apply strong pressure in order to have currently taxable international research activities made tax exempt.

In any case, the strengthening of such types of activities could be one approach to indirectly decreasing future friction between Japan and its economic partners.