

The Partnership Dilemma between the Japanese Government and NGOs in International Development: Through “Grant Assistance for Japanese NGO Projects” implemented by the Ministry of Foreign Affairs of Japan

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1. Introduction

The Japanese government revised the Official Development Assistance (ODA) Charter and hereby established the International Development Charter in 2015. As the importance of cooperation with civil society was explicitly emphasized in the new charter, participation of civil society in the implementation of future ODA policy and practice is increasingly expected. This paper aims to examine the relationship between the Japanese government and NGOs in their operation of international development programs as a partnership.

First, it overviews participation of civil society in international development and Japanese NGOs. Then, it verifies the idea of government from the International Development Charter, particularly concerning its relationship with NGOs. The last section discusses a funding assistance scheme, exploring the difficulties of partnership between the government and the NGOs to engage in international development projects at the practical level.

2. Participation of Civil Society in International Development

The word Non-Government Organization (NGO) was used for the first time in 1946 by the Economic and Social Council of United Nations regarding international development and social reconstruction after World War II (Oohashi 2011). But it is still a concern that the outcomes of international development policies are carried out by developed countries and international organizations in developing countries. Escobar criticised that “development has been linked to an economy of production and desire, but also of closure, difference, and violence” (1995, 214). This is the reason why civil society is increasingly expected as an alternative actor in the field of international development, since the middle and late 1980s. However, as Bebbington, Hickey and Mitlin pointed out, “while concepts of global civil society may have their difficulties, there can be little doubt that, as the most potent force within late modernity, globalization has shaped NGOs and ideas about NGOs”(2008,7).

In the international development field, civil society is expected in various perspectives such as an agent to contribute to the promotion of the democracy and political participation in

developing countries (Friedmann 1995; Mine 2011) and as a public service provider to play alternative, complementary, and hostile roles for government and the private sector (Boris and Steuerle 2007; Amemori 2012). Because the relationship between government and the NGO is in the form of consignment to engage an international aid project, this paper using Principal-agent approach to exam their relationship.

3. Current Situation of Japanese NGOs

In Japan, it was not until the 1980s that the number of NGOs increased and it began to be widely known in the society, at a period when a large number of Indo-Chinese Refugees were encountered. At present, a law on Specified Nonprofit Corporation was established in 1998, and most of the NGOs have acquired legal personality in accordance with these legal provisions. This provision has become a condition for NGOs to apply to the assistance scheme by the Ministry of Foreign Affairs (MOFA).

Japan NGO Center for International Cooperation (JANIC) is commissioned by the MOFA to investigate the recent situation of Japanese NGOs, and published a “NGO Data Book” in 2016. According to this data book, there are more than nine hundred NGOs which have obtained the legal entity status and received certification from the government at the time of January 2016. These NGOs have been engaging in activities in more than 100 countries all over the world. The resource of NGOs is funding by membership fees, donations, subsidy assistance, and so on. However, there is a two-pole structure with respect to annual income, a lot organisations have reached one hundred million yen or less than one million yen. Though there are paid staff, about 90% of the organizations are receiving unpaid staff and volunteers.

From an international perspective, there is a tendency that carrying out NGOs’ activities has been recognized as volunteer activity in Japan. It is true that an NGO has been organized by citizens with their volunteer spirit. But their work activities should not necessarily be entirely free of charge. Generally, NGOs are not understood as professional organisations with expertise in Japan. And they have been struggling with a shortage of funding and human resources. Basically, NGOs themselves should make efforts to overcome these problems, but there is a limit for each individual NGO to survive.

4. The Idea of Japanese Government in International Development

As globalization has shaken the international situation, two main factors caused the Japanese government to change the name to “International Development Charter” from the “ODA Charter” in 2015: the international community is facing new challenges, and the increase of activities and funds from sectors other than ODA in developing countries; accountability of international aid activities is more highly required than before. In the past 10 years, about three times more private funds than ODA are flowing to developing countries. This dynamic

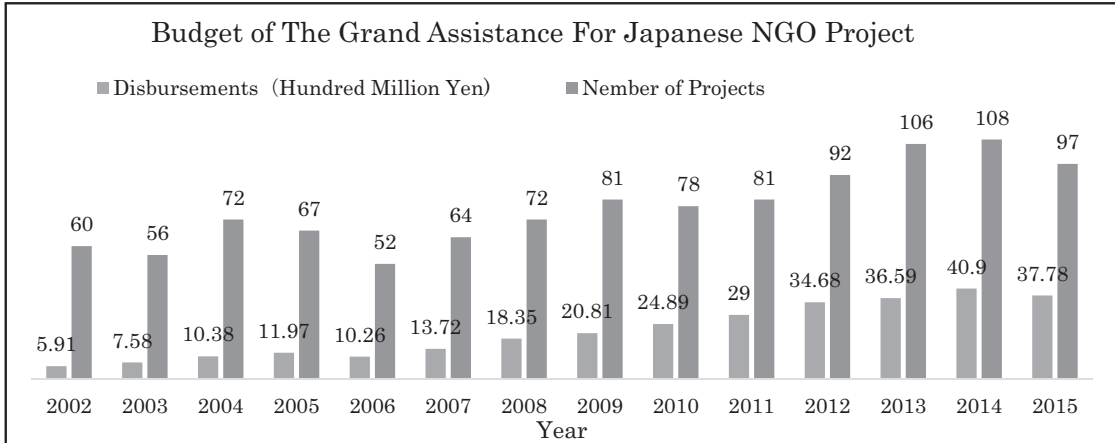
can show the impact of other actors than governmental agencies in international development, and the approach of NGOs has made detailed support for the needs of the area where they are out of the reach of government and international aid agencies. Indeed, NGOs’ works through “face-to-face” assistance have gained high praise from local people. On the other hand, many tax payers care more about a variety of domestic problems, and cannot help questioning the significance of spending substantial tax volumes on international aid projects every year. Furthermore, the results and transparency of international aid projects are not clear, and there is more severe public opinion recently.

The new charter indicates once again about the basic idea held by the government regarding the implementation of international development. According to the new charter, “the government will strategically strengthen partnerships with NGOs/CSOs...support excellent development cooperation projects of Japanese NGOs/CSOs and their capacity development”. Here, it can be confirmed that the partnership with NGOs is important for the government. However, the new charter also mentions that “to secure its national interests, it is essential for Japan, as a “Proactive Contributor to Peace” based on the principle of international cooperation, to work together with the international community including developing countries to address global challenges”. But the national interest may not be very important for NGOs when they are engaging in projects in developing countries. Thus the two sectors need to collaborate in innovation for their future partnership in international aid.

There are three categories of partnership with NGOs implemented by the Non-Governmental Organizations Cooperation Division of MOFA (NGOs-Division): Funding assistance for Japanese NGO (funding for projects operating in developing countries); Creation of an enabling environment for NGO (funding for the headquarters’ activities); Dialogue with NGO (Setting-up official meetings regularly). The next section, takes up the “Grant Assistance For Japanese NGO Project” scheme which belongs to the funding assistance for Japanese NGOs as an example, to explore the reality of partnership between the government and NGOs at a practical level.

5. Grant Assistance For Japanese NGO Project

From 2002, “The Grant Assistance for Japanese NGO Project” was introduced as a financial assistance scheme for projects which are implemented for socioeconomic development in developing countries. The entire Japanese ODA budget has been reduced from a peak in 1997. On the other hand, as the graph shows, the budget is increasing for NGO assistance by the MOFA.



Source: http://www.mofa.go.jp/mofaj/gaiko/oda/shimin/oda_ngo/shien/jngo_j.html (2016).

However, political factors are large for the budget increase, and it does not mean that conflict between the two sectors has been resolved. Martens (2002) analysed the relationship between stakeholders in international aid, using Principal-agent theory, and identified the relationship as a chain, arguing that it may cause problems of “Moral hazard” and “Adverse selection”. Looking at the “The Grant Assistance for Japanese NGO Project” in this lens, NGOs may deviate from the instructions given by the NGOs-Division and carry out delegated tasks in such a way that they advance their own interests, rather than those of the NGOs-Division. At the time of reaching agreement with the NGOs-Division, NGOs may have access to information inaccessible to the NGOs-Division, and may manipulate this information in ways that run against the NGOs-Division interests. In order to avoid these two types of problem, MOFA puts constraints on the performance of the NGOs’ assistance schemes. However, as Martens stated “any deviations from the standard set-up are time-consuming, complex and costly to implement, unless there is a strong political will to go ahead” (2002, 28). The NGOs may find few benefits other than financial resources from the partnership, to which the government puts lots of constraints and conditions.

In recent years, accountability began to be pursued in the NGOs sector as well as political and administrative sectors (Watanabe 2005). JANIC is promoting self- checking of accountability to Japanese NGOs, but in view of the current standard of the NGOs, it should be said that there is a gap between the government and the NGOs, and this is one reason for difficulties in the process of NGOs-division’s project review.

Looking in detail about the process of the “Grant Assistance For Japanese NGO Project” it can be divided into three stages. The first stage is application. According to this scheme, though most of a contract is carried out with the Japanese Embassy or Consulate General of the project country, NGOs must submit all application documents to the NGOs-Division at Tokyo.

Until the application documents are formally accepted, the NGOs-Division has tended to do consultation with the NGOs over their proposals for a long period of time. But the prolonged consultation may become a significant burden for both sides. The main reason for the NGOs side is that their application documents have not reached the correct standard to be accepted. This is because NGO staff have not been exposed to experience and knowledge within their organisation, especially the know-how of procedures is not passed on to younger staff. On the other hand, the reason for the NGOs-Division side delay is that the decision-making to stamp approval on the proposal is not easy because the NGOs-Division has to gain an understanding and agreements with Embassies and Consulate Generals of each project country, the regional sector and accounting sector in the MOFA. For this, the NGOs-Division often needs time to make an overall judgment, and even more additional requests to the NGOs.

The second stage is project implementation. After a project is contracted, the Japanese Embassy or Consulate General is responsible for monitoring and other works. Throughout a project’s time, a variety of unexpected situations may occur at the local level, and the NGOs are required to respond to all situations. But there is a difference in opinion between the government side and the NGOs’ side for a reasonable response or solution to the changes.

The last stage is when the project finished. In the case of this scheme, the Embassy or Consulate General of implementing countries has to visit the project site and evaluates it after the project is finished within five years. If undesirable results or impacts are observed, the MOFA will assign responsibility to the NGO that implemented the project (it is often difficult for the NGOs to control their projects after they run out of financial support.), and increase distrust towards the NGOs sector.

6. Conclusion

This paper has looked at the relationship between the Japanese government and the NGOs in international development, and explored the difficulties exist in their partnership in both the philosophical level and practical level. The government side reviews the continuity, uniformity, effectiveness, validity and profits for the national interests of Japan in each project. However, for the NGOs, as civil society, the projects aim to promote democracy and provide public services for vulnerable people beyond the framework of the country and ethnic groups. This inconsistency at the philosophical level may affect agreement on setting goals and activities of projects.

At the practical level, the NGOs-Division is held back due to the lack of absolute decision making power, and the operation standard of assistance schemes such as “The Grant Assistance For Japanese NGO Project” is not clear. Thus, the NGOs-Division needs to coordinate with the surrounding environment, but as a result that requires NGOs to submit further explanatory documents. In contrast to government, the NGOs tend to be too eager towards abstract ideals,

not keep up with the necessary practical skills (such as poor quality of documentation), and may impose a burden and distrust on their partner. Thus NGO side is required to strengthen the check function within their organization, before submitting the documents.

However yet NGOs' face-to-face approach bring presence on the ground. For their future partnership, NGOs-Division should rethink the execution process. For example, the Embassy or Consulate General may do the preliminary examination earlier, and NGOs-Division only accept proposal with recommendation from each of the Embassy or Consulate General.

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