

Formalization of Citizens Activities and Local Governance Actualizing Their Hybridity

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1 Introduction

In regional and community studies (RCS), research has been conducted on many types of organizations and activities involving residents and citizens acting as “local groups (*chiiki-shudan*)”. Important topics in RCS have included emergencies occurring in new types of organizations, transformation processes in existing organizations, and the diversification of relationships between organizations in local communities.

RCS primarily targets local organizations such as neighborhood associations (*chonaikai* or *jichikai*), residents’ movements (*jumin-undo*), citizens’ activity groups (*shimin-katsudo-dantai*), specified nonprofit corporations (called NPO corporations) and consumers' cooperatives. In this paper, these diverse organizations are considered “third sector organizations (TSOs).” “Third sector” refers to an aggregate of nonprofit and non-governmental organizations. TSOs are not regarded as relatively but not completely distinguished from both governments and corporations. Although the concept of TSOs has not been commonly used in RCS, considering local groups from broader interdisciplinary and international viewpoints is expected to be useful.

However, the third sector in Japan is smaller, more ambiguous, and more fragmented than that in other developed countries. One of the reasons for this is that the corporate statuses of TSOs have been fractionalized. For instance, the NPO corporation was established by the Act on the Promotion of Specified Nonprofit Activities (the so-called NPO Law), the social welfare corporation was established by the Social Welfare Act, and the public interest incorporated association was established by the Civil Law Act. Historically, in most cases, Japanese nonprofit corporations, except NPO corporations, act as governmental agencies without the participation of citizens. The focus of this paper is a theoretical discussion on the participation of residents or citizens in various nonprofit corporations and cooperatives included in TSOs.

This paper also focuses on the formalization of local TSOs in Japan. The phases of formalization include institutionalization, commercialization, and networking both within and beyond the boundaries of local areas, such as in prefectures or municipalities. Practical issues for local TSOs include how to maintain their properties of community and voluntarism while advancing formalization. Academic issues corresponding to these practical issues are how the framework of RCS, which have focused on mainly informal and smaller organizations, especially on the scale of neighborhoods, school districts, and

municipalities, can be reconstructed for analysis of formalized local TSOs.

In this paper, the development of both local TSOs in Japan and approaches to local TSOs in RCS are reviewed with a focus on intra- and inter-organizational processes. Next, TSOs are examined as “hybrid organizations” that have intermediate internal public, market, and community properties, and local governance is examined as a condition that actualizes the hybridity of each TSO.

2 Local communities as base layer of local societies

2.1 Neighborhood associations

One starting point of studies on local TSOs in RCS is the theory of social groups by Suzuki (1957). In this theory, households, workplace groups, schools, life expansion groups (such as voluntary associations), and district groups are considered to characterize the structure of urban society. Among these groups, households and workplace groups are regarded as significant. District groups such as neighborhood associations are distinguished from life expansion groups in that district groups consist of households located within each district whose membership is compulsory.

Various concepts of neighborhood associations have been developed, creating some controversy. Studies on neighborhood associations have focused on a variety of issues, including their origins, culture, leadership, organizational structure, and social functions (Iwasaki et al., 1989; Kurasawa and Akimoto, 1990; Tamano, 1993). One of the main features of the neighborhood association is its multiple functions, which includes the management of infrastructure for everyday life, the cultivation of mutual friendship and aid among residents, and the prevention of crimes within districts. Some activities, such as cooperation in distribution of public information, have been critically regarded as duplicating the work of municipalities.

At the time of the Hanshin-Awaji Earthquake in 1995, the role of neighborhood associations in everyday life promoted the coordination of firefighting and rescue operations. This led to the founding of voluntary disaster prevention organizations (*jishu-bosai-soshiki*) in each district, which has since been accelerated by local governments. According to the Fire and Disaster Management Agency, as of April 1, 2010, a total of 142,759 organizations had been founded in 1,621 of 1,750 municipalities in Japan. About 40 million households are included in these jurisdictions, resulting in an estimated coverage rate of about 75%. Furthermore, 94.1% of voluntary disaster prevention organizations are founded based on local neighborhood associations.

The White Paper on National Lifestyles published in fiscal 2007 emphasized that the

rate of participation in neighborhood associations has been high. In 2003, 66.2% of all neighborhood associations had household membership rates of more than 90% (Cabinet Office, 2007). However, those participating in activities and on steering committees are aging, and thus participation in many neighborhood associations is decreasing. Viewpoints that attract younger residents and aim to re-invigorate neighborhood associations through disaster prevention activities are therefore anticipated in the near future.

Furthermore, studies on neighborhood associations have led to the development of studies on residents' organizations in other countries (Nakata, 2000).

2.2 Community policies

“Community” has been an essential concept in the social sciences, especially sociology and political science. RCS has been informed by sociological theories on community such as those of Tönnies (1887), Park (1915), and MacIver (1924), and the field of urban community studies has developed based on community policies implemented from the end of the 1960s in Japan (Matsubara, 1978; Sonoda, 1978; Okuda, 1983).

Community policies started following the report “Community: The Regaining of Our Humanity in Living Area” by the Ministry of Health, Labour and Welfare (formerly the Ministry of Welfare) and model projects designed by the Ministry of Internal Affairs and Communications (formerly the Ministry of Home Affairs). The goals of community policies were as follows: 1) to set up new districts (community districts) based on everyday life; 2) to establish community boards in each district; and 3) to construct community centers. Next, community districts were established primarily based on the catchment areas of public elementary or junior high school districts, which covered a broader area than neighborhood association districts. A few municipalities, such as Musashino City and Meguro Ward, both in Tokyo, established new community boards in each community district.

The background to the establishment of community policies was that human relations had become weaker in neighborhoods due to rapid urbanization. Furthermore, new schemes of self-governance by citizens in smaller areas were needed as municipalities continued to merge. New settings for citizens' participation were also considered “buffer circuit” of residents' movements against problems arising in the community.

In addition, the attempt to set up new community boards meant replacing “old-fashioned” neighborhood associations. In the initial stage of community policy, some studies assumed a critical tone toward neighborhood associations. Neighborhood associations were considered traditional organizations that served as “remnants of

feudalism,” while the new middle class, which was increasing in size, was expected to take active roles in modernizing local communities and constructing a civil society. However, neighborhood associations gradually came to be evaluated as the practical counterparts of community policies as well as the main actors in community development in each community district. For instance, neighborhood associations have been crucial members of community center steering councils.

Recently, re-examinations of community policy have been conducted in RCS (Hirohara, 2011; Yamazaki, 2014). The “great merger of municipalities of the Heisei era,” which started after the enforcement of the Special Mergers Law of 1995 and peaked from 2005 to 2006, was the background to the studies, as was the Revised Local Autonomy Act (Comprehensive Decentralization Law) enacted in 2000, which aimed to promote decentralization. In order to develop studies on community policy through the collaboration of interdisciplinary researchers and local government staff, the Japan Association for Community Policy was therefore founded in 2002.

2.3 Community governance

Neighborhood associations have some features that distinguish them from voluntary associations, which will be discussed later. The main features of neighborhood associations are as follows: 1) all households in the district join automatically (as mentioned above); 2) only one group exists in each district; and 3) they exist in every district. In other words, neighborhood associations monopolize each district (Kurasawa and Akimoto, 1990). In addition, neighborhood associations form a hierarchy of federations corresponding to each level of governance, such as national, prefectural, municipal, administrative ward and community or school district. These features have a high affinity with government, and each neighborhood association is an unmatched position to mediate between residents and municipalities.

Each neighborhood association has also had strong linkage with other exclusive monopolized residents’ groups, including women’s associations (*fujin-kai*), children’s groups (*kodomo-kai* or *kodomokai-ikusei-kai*), clubs for the elderly (*rojin-kurabu*), groups for the healthy development of youth (*seishonen-ikusei-kai*), parent-teacher associations for public elementary and junior high schools, and district groups of social welfare council (*chiku-shakyo*).

The linkage among exclusive monopolized residents’ groups has fostered a system of community governance in each district that corresponds to the various needs of its residents. “Voluntary disaster prevention organizations,” as mentioned above, are also the result of this linkage. Furthermore, the idea of “disaster prevention governance”

based on community governance has been examined in studies on disaster-stricken areas, mainly in Kobe and the Tohoku region (Yoshihara, 2012).

Some urban community studies have been associated with studies on community welfare (Sonoda, 1999; Okuda and Wada, 2003). The idea of a "disaster prevention welfare community" was first presented after the Hanshin-Awaji Earthquake in 1995 (Kurata, 1999,) and has been re-evaluated in recent years with an expanded understanding that for disaster prevention, information on residents in need of care is useful, and cooperation with welfare institutions for the elderly and handicapped is necessary.

However, when more specialized and commercialized activities satisfying local needs are required, organizations that transcend the scope of community governance have emerged. The voluntary associations discussed in next section have mainly worked outside the scope of community governance.

3 Viewpoints from studies on voluntary associations

3.1 Attention on voluntary associations

Voluntary associations are equivalent to "life expansion groups," which Suzuki (1957) insisted were less important for studies on the structure of urban society. However, research on voluntary associations has introduced important analytic viewpoints in relation to local TSOs. This section reviews studies on voluntary associations before their institutionalization and commercialization, both of which have been accelerated by legislation such as the NPO Law enacted in 1998, the Revised Local Autonomy Act (the Comprehensive Decentralization Law) enacted in 2000, and the Long-Term Care Insurance (*kaigohoken*) System enacted in 2000.

The concept of "voluntary associations" was first applied to newly emerging local groups (Sato, 1982; Okuda, 1982; Ochi, 1986). Residents' movements (*jumin undo*) arose from opposition to urban problems such as environmental pollution and livelihood-related requirements for infrastructure in the 1960s and 1970s (Matsubara and Nitagai, 1976; Funabashi et al., 1985; Yazawa and Iwasaki, 1989). New activities and mutual aid groups, such as those mainly founded by housewives that focused on parenting, grew after the mid-1970s. Citizen businesses (*shimin-jigyo*) that carried out commercialized activities with social aims were founded after the 1980s; the activities of consumers' cooperatives orchestrated by housewives served as a major foundation for these citizen businesses.

Based on studies by Sato (1982), Ochi (1990), and Watado (1990), Takahashi (2010)

described the properties of voluntary associations as follows: 1) participatory democracy; 2) self-management; 3) voluntarism; 4) post-bureaucratic; 5) multifaceted and intermittent; and 6) many-headed.

In contrast with neighborhood associations, which consisted of households, voluntary associations consisted of individuals, and their members had aspirations for self-expression and self-realization such as to realize individual lifestyles.

3.2 Relationship between neighborhood associations and voluntary associations

In the early stage, voluntary associations were regarded as a single issue, while neighborhood associations were regarded as multifaceted issues. Voluntary associations were seen as smaller in scale, more informal, and more unstable than neighborhood associations. Voluntary associations seemed to be dissolved after achieving their goals.

The complementary relationship between neighborhood associations and voluntary associations such as residents' movements and citizen activity groups has been an issue in RCS. This relationship has been regarded as both a condition for the advance of self-governance among residents and the construction of urban communities, and a requirement for the sustainability of each voluntary association.

Nakata (1980) insisted that "self-governing bodies of living area (*seikatsuchi-jichitai*)" was the basis of autonomy for local governments. He considered that a "self-governing body of living area" could be formed as a result of interpenetration of neighborhood associations, which managed local resources, by citizens' activity groups, which used local resources such as community centers, and by residents' movements intended to change the system. Okuda (1982) examined established neighborhood associations and concluded that greater formality and greater stability of voluntary associations were needed to ensure their sustainability.

The point I want to make here is that the relationship between neighborhood associations and voluntary associations, including NPO corporations, is not merely a horizontal network between local TSOs. It is also a vertical network between local groups in the core of community governance and local groups on the periphery.

The arguments mentioned above consider interpenetration as an inter-organizational process, but interpenetration is also considered an internal process within each organization. The core group conducting residents' movements inside ordinary organizations, such as neighborhood associations, formed new organizations when core groups intended to accomplish their goals more radically (Matsubara and Nitagai, 1976). In the spin-off process, ordinary organizations functioned as the infrastructure of residents' movements.

3.3 Viewpoints on the beginning of commercialization of voluntary associations

3.3.1 Viewpoints toward the intra-organizational process

The commercialization process that began to emerge in the 1960s and 1970s led to voluntary associations starting to exhibit internal organizational infrastructures. The term “citizens’ business (*shimin jigyo*)” was coined in the 1980s to express the nature of voluntary associations as follows.

First, while consumers' cooperatives as business entities have carried out the trading of goods, they have also been engaged in social movements such as those to promote the direct distribution of vegetables from farmers to consumers, to oppose the use of synthetic detergents, and to accelerate recycling efforts. Workers’ collectives, which differ from workers’ cooperatives, developed in the early 1980s based on the activities of consumers' cooperatives. Workers’ collectives are business entities, but are owned and governed by the workers themselves, that is, the members of each workers’ collective are workers, managers, and investors at the same time. Workers’ collectives have operated various businesses, including bakeries and catering services, support services for the elderly and disabled, child care services and recycling programs.

A series of studies (Sato, 1988; 1995; 1996) were conducted on a consumers' cooperative, the Seikatsu Club Consumers’ Cooperative, and a workers’ collective. The results in the early work indicated a complementary yet opposing relationship between the properties of the business and those of the movements inside voluntary associations (Sato, 1988). This series is regarded as the first time attention was paid to the intra-organizational processes of formalized voluntary associations.

3.3.2 Viewpoints toward local governance

Second, voluntary associations also began to commercialize due to relationships with local governments through subsidies and contracts. The background to the progress in these relationships was the notion of “urban management,” which aspires to operate municipalities efficiently, similar to companies (Takayose, 1986). Urban management was expanded against the backdrop of a financial crisis among local governments and the diversified needs of infrastructures for livelihood and “collective consumption” (Castells, 1978) such as welfare, education, and other services.

In terms of analysis on networks of local groups, the studies above mentioned focused on the networks led by a central organization. Other perspective is that overlooking the composition of different local groups first, and then focusing on relationships between different municipality sections and local groups through the transfer of finances; this is

referred to as “social process analysis on finance” (Hasumi, 1983; Hasumi et al., 1990; Nitagai and Hasumi, 1993).

This type of analysis focuses on what kinds of local groups are involved and how municipality sections distribute their budgets. At the same time, each local group is regarded as being based on different social classes. Various local groups are regarded as the mediators between municipalities and diverse citizens. The mediation processes are regarded as including both the municipality that governs diverse citizens and citizens that benefit from the municipality. This type of analysis attempts to understand how municipalities organize diverse citizens through the distribution of its budget to various local groups.

The results of this analysis showed that each municipality section had a relationship with specific local groups, and each local group worked under an umbrella organization. This means that local groups were organized as “urban corporatism” (Nitagai, 1992; Nitagai and Hasumi, 1993) based on urban management. Local groups related to public policies involving commerce and industry were more strongly organized, while the organization of local groups related to livelihoods, including voluntary associations, were still in progress.

This analysis is positioned toward the viewpoint of local governance, which is discussed in greater detail later.

4 Progress of institutionalization of voluntary associations

4.1 Impact of the NPO Law

An epochal event for voluntary associations was the Hanshin-Awaji Earthquake in 1995. Volunteers gathered from the entire country and played crucial roles in the restoration of disaster-stricken areas. In Japan, volunteer activities are commonly carried out after severe disasters, such as the tanker oil-spill accident off the coast of Fukui in 1997 and the Great East Japan Earthquake in 2011. Studies on volunteer activities at disaster-affected areas have developed in RCS in tandem with disaster sociology (Oyane et al., 2007) and sociology on disaster prevention (Yoshihara, 2012).

The heralded performance of volunteers in 1995 accelerated legislation that enabled citizens’ activities to acquire corporate status more easily than ever before. In Japan, it had previously been extremely difficult for citizens’ activity groups to acquire nonprofit corporate status. Until that time, citizens’ activity groups such as social welfare corporations could be incorporated in accordance with the Social Welfare Act, as could public interest incorporated associations (formerly incorporated associations) and public

interest incorporated foundations (formerly incorporated foundations) in accordance with Article 34 of the Civil Code enacted in 1896.

The NPO Law came into force in 1998. After that, the number of NPO corporations increased rapidly. According to the Cabinet Office, the number of NPO corporations exceeded 10,000 in 2002, 20,000 in 2004, 30,000 in 2006, 40,000 in 2010 and 50,000 in 2014.

After the number of NPO corporations increased, arguments regarding the relationships between neighborhood associations and voluntary associations continued. Based on collaborations with neighborhood associations, Yamasaki (2003) suggested that NPO corporations could play a role in residents' self-governance. At the same time, new viewpoints were added to the argument. NPO corporations are currently regarded as more sustainable holders of specialist knowledge and skills for specific activities, and are thought to have a positive influence on the activities of neighborhood associations.

4.2 Collaboration measures (*kyodo seisaku*)

The Revised Local Autonomy Act (Comprehensive Decentralization Law) enacted in 2000 with the aim of promoting decentralization also facilitated the founding of NPO corporations as well as citizens' activity groups (unincorporated associations). Based on the Act, local governments initiated collaboration measures (*kyodo-seisaku*) with residents, voluntary associations, and other local groups. The collaboration measures were also based on the policy of "New Public (*atrashii-kokyo*)" by the central government. "New Public" means that public services should be provided not only by governments, but also by various entities, including citizens, local groups, and companies.

These collaboration measures have been carried out based on a number of principles. In the case of Suginami Ward in Tokyo, the "Suginami Collaboration Promotion Guidebook" was drawn up in 2004. This guidebook presents the following principles of collaboration: 1) equal relationships between the divisions of local government and their counterparts; 2) disclosure of information concerning the process of collaboration in order to visualize these relationships; 3) consultation to exchange opinions; 4) understanding of one another's features; 5) purpose of co-ownership of the project; 6) regard for the independence (autonomy) of local groups so that they may display their own capacities; 7) regard for self-support of local groups; and 8) limited timeframe, that is, the need for periodic assessment (Suginami Ward, 2013). Some other leading local governments also presented their own collaboration principles, such as the "Aichi Rulebook of Collaboration" by Aichi Prefecture in 2004 and the "Yokohama Code" by Yokohama City in 2004.

Generally, collaboration measures include the following items: establishment of rules of collaboration (*kyodo jorei*) or of citizens' participation (*shimin-sanka jorei*); establishment of a collaboration council; establishment of facilities to promote citizens' activities and collaboration with local governments; and the securing of funds for the establishment of new organizations and activities.

4.3 Issues regarding collaboration measures

4.3.1 What kinds of local TSOs are counterparts of such collaboration?

One of the issues surrounding collaboration measures is what kinds of local TSOs are regarded as counterparts of such collaboration. Although opinions on this topic differ, local governments often refer to the White Paper on National Lifestyles from fiscal 2000. The White Paper identified NPO corporations and citizens' activity groups (unincorporated associations) as its main targets while overlooking TSOs, including various public interest incorporations and cooperatives (Cabinet Office, 2002b). Social welfare corporations, incorporated associations/foundations, and other public interest incorporations, as well as larger, more specialized, and more commercialized NPO corporations operating social businesses or providing public services were not viewed as main counterparts of collaboration by most local governments. At the same time, whether neighborhood associations are included as targets has also differed among local governments.

Whichever are eventually decided upon, counterparts of collaboration measures have made up a smaller part of local TSOs; however, the crucial points of the NPO Law and collaboration measures are that they have placed citizens' activities among the pillars of public services.

4.3.2 What kinds of activities are regarded as "collaboration"?

Another unsettled issue is what kinds of activities are regarded as collaboration? Obviously, the projects carried out as collaboration measures by local governments can be regarded as collaboration. Many of the targets in this case have been events under the auspices of local governments or relatively small projects based primarily on volunteering. On the other hand, it remains unclear whether undertakings by commissions through subsidiaries or contracts should be regarded as collaborations or mere outsourcing.

This point is associated in part with two types of collaboration measures (Watado, 2006). In the beginning, collaboration measures were regarded as when local governments established activities planned or carried out by citizens' groups. In this case,

citizens' groups are regarded as having peculiar functions that meet the diversified needs of citizens. After introducing market testing (*shijoka-tesuto*) of local governments based on the Act of Reform of Public Services by Introducing Competition enacted in 2006, collaboration began to include outsourcing by local governments. Citizens' groups are now in the same category as companies, or in the case of outsourcing, represent cheaper traders. The former likely relates to "big government," whereas the latter likely relates to "small government."

Some studies have focused on activities carried out as collaboration measures, while others have considered the conditions under which TSOs can accept the undertakings of local governments. Regarding how local TSOs can be situated as pillars of the local government, a consideration of the future welfare state as a neo-liberal or social investment state needs to be re-examined (Giddens, 1998; Wakamori, 2013). In relation to these points, the studies described in the next section examine the current situation in the UK.

4.4 Viewpoints on local governance

4.4.1 Attention to Local Strategic Partnerships (LSPs) and Compacts in the UK

The viewpoints mentioned above are in relation to "local governance" (Iwasaki and Yazawa, 2006). The concept of "governance" is regarded as that which is governed by plural entities, including governments, institutions, and various groups. In this paper, "community governance" and "local governance" are clearly distinguished. The former is regarded as governance of separate community districts, while the latter is regarded as separate local governments, especially municipalities.

In terms of local governance, Local Strategic Partnerships (LSPs), which were implemented by former Prime Minister Tony Blair's Labour Party in the UK, have been introduced to Japan. LSPs were set up so that each local government would be in conformance with the Local Government Act of 2000. High-level meetings were held to formulate, examine, and evaluate community strategies for each local government. Studies on LSPs from the viewpoint of TSOs have been conducted primarily in fields outside of sociology, such as economics and public administration (Yoshida, 2005; Tsukamoto, Yanagisawa, and Yamagishi, 2007; Kanagawa, 2008). The significant point for Japanese TSOs is that local TSOs engage in LSPs as members with other entities such as local governments, National Health Services (NHS; national management hospitals), the police, companies, councilors and citizens.

Based on the work of Rhodes (1997), some studies consider LSPs to be ideal "self-organizing networks" or an example of "co-governance"; however, relationships between

municipalities, NHS, and local TSOs are in fact asymmetrical. In addition, the key policies of LSPs had to be adjusted in accordance with central government policies. Furthermore, the central government had to evaluate the achievements of community strategies.

One of more important points is that in terms of local TSOs, peculiar roles were recognized in LSPs. The roles of local TSOs were regarded as not only providing services, but also advocating for disadvantaged areas or groups in each municipality that companies found difficult to approach. In addition, the recognition of TSO roles was based on a Compact, which is an agreement that confirms the peculiar roles between the voluntary sector and the government. The Compact was first concluded at the national level in 1998 as the National Compact, and then at each local government level as Local Compacts. The impact of these Compacts was that they resulted in the development of rulebooks or guidebooks for collaboration between local governments and groups in Japan, as mentioned above.

4.4.2 Local governance as a condition under which local TSOs actualize their functions

However, this situation was greatly transformed after a change in government in 2010 in the UK. Local governments are not charged with establishing LSPs. The participation of citizens as evaluators of public services has advanced based on personalization, while the roles of participants in the decision-making process of local governments have weakened. The focus of service evaluation among local TSOs, as well as among other service providers such as companies, shifted to objects from the viewpoint of quality, efficiency, and effectiveness.

With this shift in policy, local TSOs lost the ability to perform their advocacy functions (Shimizu, 2014b). At the same time, TSOs came to be recognized as merely service providers in same category as companies. This seems to promote a polarization of the third sector into large-scale organizations with higher competitive power and small volunteer organizations that do not require public funds through commissioning.

Based on this new scheme of decision-making in the UK, the state of local governance has dramatically changed. The experience in the UK demonstrates that the actual state of local governance is an important condition in regard to local TSOs and what kind of functions they can actualize, and if not clearly revealed, will otherwise remain latent.

5 Progress of commercialization of voluntary associations

5.1 Progress of commercialization of TSOs in the welfare sector

The Long-Term Care Insurance (LTCI; *kaigohoken*) System started in 2000 in Japan. It has had a marked influence, especially on voluntary associations involved in mutual aid and social services for the elderly based on subsidies or contracts with local governments that would otherwise have no public funding. The quasi-market offered an unprecedented revenue source to voluntary associations, most of which were NPO corporations. Some of the voluntary associations providing LTCI services subsequently grew in scale and accelerated their commercialization activities (Tanaka et al., 2003; Suda, 2011).

Adachi (2008) gave a critical assessment of voluntary associations providing LTCI services known as “Care NPOs.” In his paper, advocacy was regarded as a significant function for nonprofit organizations based on the functional analysis on voluntary associations by Kramer (1981) and Salamom (1999). “Care NPOs” are regarded as voluntary associations that lack advocacy functions and networks for building welfare communities even though they are overwhelmed with the provision of LTCI services and administrative work. “Welfare NPOs” are thus presented as voluntary associations that have overcome the problems of “Care NPOs”; the American Association of Retired Persons (AARP) is considered an ideal “Welfare NPO” model. The AARP is described as a nonprofit organization managed by professionals. The roles of professionals in the AARP include developing new services to meet the needs of members and advocating welfare policies for the elderly. On the other hand, the roles of members are mainly to choose which services they wish to use.

From another angle, voluntary associations providing LTCI services are broadly divided into two categories. The first is groups that have devoted themselves to LTCI services. Some of them have switched all of their former activities to LTCI services, while others were newly founded specifically to provide LTCI services. The second is groups that have worked outside of LTCI services, such as in mutual aid, while providing LTCI services. Activities outside of LTCI services are regarded as significant work actualizing the properties of community and voluntarism while not expecting profit.

5.2 Hybrid organizations and social enterprises

5.2.1 Introduction of viewpoints of hybrid organizations

The notion of “hybrid organizations” is helpful to consider as an intra-organizational process, as mentioned above. Intra-organizational processes refer to relationships between several organizational functions, such as advocacy and service provision (Adachi, 2008), and between activities such as working outside of and providing LTCI services. These relationships can be both complementary and opposing (Matsubara and

Nitagai, 1976; Sato, 1988).

The notion of “hybrid organizations” has been investigated in studies of the EMES (Emergence of Social Enterprises in Europe) Network, which is a study group on TSOs composed of researchers in Europe (Evers and Laville, 2004). The EMES study group considers the third sector as an intermediary sphere between three others: the public sphere, which is formal and nonprofit; the market sphere, which is formal and for profit; and the community sphere, which is informal and nonprofit. TSOs are considered the agents of the intermediary sphere. In other words, this viewpoint regards TSOs as hybrid organizations with public, market, and community properties.

On the basis of considering TSOs as hybrid organizations, we can cease from regarding TSOs simply as agents of community. At the same time, we can also cease from regarding TSOs contracting with local governments as simply agents of these local governments, and also from regarding commercialized TSOs, such as those providing LTCI services, as isomorphic with companies.

5.2.2 Development of studies on social enterprises

In relation to the recognition of hybrid organizations, studies have carried out on “social enterprises” (Pestoff, 1998; Borzaga and Defourny, 2001). In terms of studies on social enterprises in Japan, Fujii insisted on the presence of two streams. Viewpoints from the European stream are based on the social economy and social exclusion, while viewpoints from the American stream include companies paying attention to social or ecological issues and corporate social responsibility (Fujii, Harada, and Otaka, 2013).

In some countries, such as Italy, the UK, and South Korea, social enterprises are prescribed by legislation, but actually, other organizations are also regarded as social enterprises. How to define social enterprises and how they can be distinguished theoretically from hybrid TSOs remain unclear. In third sector studies, social enterprises are regarded as having both social and economic properties. Social properties include social aims, activities for/by the disadvantaged, and dealing with social exclusion. On the other hand, economic properties include efficient management, business innovation, and the promotion of entrepreneurship. Regarding corporate governance, some studies stress the role of the social entrepreneur, who plays a variety of roles, including a manager, a networker, and social movement activist, while other studies stress social ownership, in which diverse stakeholders participate in the decision-making processes of an organization.

Studies on cooperatives have actively conducted research on social enterprises in Japan (Nakagawa et al., 2008). Nakagawa (2005) considered social enterprises as

community cooperatives and community businesses that developed from workers' cooperatives in the UK. Research on social cooperatives regarded as social enterprises in Italy were of practical concern from the standpoint of Japanese workers' and consumers' cooperatives. Furthermore, Tanaka (2004) conducted research on social cooperatives in Italy from the sociological viewpoint of creating a social economy.

In recent years, studies focusing on Work Integration Social Enterprises (WISE), which promote employment of disadvantaged groups such as unemployed youth, persons with disabilities, and the poor, have been conducted (Yonezawa, 2011; Fujii, Harada, and Otaka, 2013). The workers' collective is also regarded as a type of WISE. This concept enables an autonomous working style that provides an alternative to male-dominated labor and unpaid work, primarily for housewives. The worker's collective, along with other cooperatives, has been considered a pillar of civil society and the social economy (Sato, 1996).

However, the running of workers' collectives has been difficult. One of the reasons for this is that no specific legislation currently provides workers' collectives with a legal status. Therefore, specific legislation such as the Social Enterprise Development Law in South Korea needs to be formulated in order to develop workers' collectives as a social enterprise, which has been suggested by researchers and the Worker's Collective Network Japan, the nationwide federation of workers' collective (Fujii et al., 2013).

5.2.3 Viewpoint on conditions actualizing the “hybridity” of social enterprises and TSOs

Based on studies on social enterprises, Fujii et al. (2013) emphasized the “hybridity” of organizations as being based on pluralism as follows: 1) the presence of pluralistic aims; 2) the participation of various interest groups (multi-stakeholders) in organization activities regarding the decision-making process; and 3) connections with a pluralistic economy. They considered the positive mediation of plural properties that actualize hybrid organization against isomorphism with for-profit organizations or governments as organizational conditions. Positive mediation management and social entrepreneurship are necessary in order to promote various forms of participation in the organization and develop human capital for that participation.

Another focal point is the institutional conditions required for commissioning between local governments and TSOs. Harada et al. (2010) insisted on the importance of institutions that evaluate not only the economic value of activities, but also their social value. From the viewpoint of public administration studies, Ushiro (2009) criticized some discussions that stressed the principle of equality between local governments and local groups in collaboration measures. He regarded these discussions as idealistic, and

insisted that commissioning must be based on compatibility and accountability in order to receive public funds and ensure the autonomy of “NPOs.” He also insisted on the clarification of basic rules regarding the relationships between local governments and “NPOs,” similar to the Compact in the UK.

5.3 Intermediary organizations as a condition for actualizing the hybridity of local TSOs

5.3.1 Conditions for the acceptance of “entrepreneurship” in local TSOs

Shimizu (2010, 2014b) considered the emergent process of social enterprises as the acceptance of norms of entrepreneurship by voluntary organizations in the UK. The state of acceptance was different among voluntary associations. For instance, a local group of Age UK (formerly Age Concern) that was providing public services based on commissioning with the municipality and other public institutions, unwillingly accepted their norms and was therefore forced to manage their organization and operations more efficiently. In this case, the local Age UK group had to become a “social enterprise” in order to undertake public services.

On the other hand, the TSOs holding assets such as land and buildings were split. The Bromley by Bow Community Centre accepted the norms and made efficient use of their buildings and land for a new business. Nishiyama and Nishiyama (2008) studied the activities of urban design and viewed TSOs such as development trusts as social enterprises. Another type, settlement trusts, refused to accept the norms and has since worked as usual as a traditional voluntary organization.

Shimizu (2014b) focused on medium-scale TSOs equipped with increased hybridity. They not only provide services, but also advocate and create networks in local society. The conditions regarding whether the properties of the community can be revealed or will remain latent is related to not only intra-organizational, but also inter-organizational processes. Intermediary organizations assume roles such as lobbying, publicity, and valuating the social impact of activities, that are difficult for frontline organizations to put into practice. The activities of intermediary organizations are regarded as one of the key conditions for maintaining and actualizing the properties of the community in frontline TSOs.

5.3.2 Intermediary organizations and local governance

Intermediary organizations are classified as follows into three different types based on the work of Burridge (1990, cited in Osborne, 1999): 1) the generalist type, which provides general services to all types of TSOs; 2) the specialist type, which provides general services to specific types of TSOs; and 3) the functional type, which provides

specific services to all types of TSOs; volunteer centers are included in this type.

Studies on intermediary organizations have also been conducted in Japan (Cabinet Office, 2002a; Yoshida, 2004; Tsukamoto and Nishimura, 2008; Japan NPO Center, 2013) however, most of these studies have focused on the generalist type of intermediary organizations. Many have operated facilities such as “NPO centers” or “Citizens’ activity centers” in each local government. Facilities have been established by local governments as a part of the collaboration measures mentioned above. On the other hand, some studies, such as that by Yoshida (2004), have focused on specialist intermediary organizations in Japan. However, the degree of the specificity is different; for instance, the Council of Social Welfare consists of organizations working on various welfare activities, but other groups, such as Meals on Wheels Japan and the National Network of Services for Difficulty in Transit, are centered on a specific service (Approved Specified Nonprofit Corporation National Council for Citizens’ Welfare Organizations, 2014; Shimizu, 2015a).

Commercialized hybrid organizations have been established based on citizens’ voluntary actions, but in most cases, their advocacy functions have worked through neither community governance nor collaboration measures. Community governance has corresponded to general issues within districts, and the target activities of collaboration measures have also related to general issues. Some of the advanced hybrid organizations have supported establishing newer organizations that deliver the same kinds of service, while others have supported the establishment of specialist intermediary organizations (Yoshida, 2004).

The Approved Specified Nonprofit Corporation National Council for Citizen's Welfare Organizations (*Shiminfukushidantai-zenkokukyogikai*) (2014) conducted research on the different types of intermediary organizations. The following functions were examined: 1) establishment and management of an organization; 2) service provision, expansion, and quality assurance; 3) acquisition of funds and goods; 4) network building; and 5) policy proposals and advocacy of each type of intermediary organizations.

Most of the generalist organizations work at the municipal level, and many of them maintain good relationships with local governments, especially the divisions for establishing citizen autonomy and networks with other local groups; however, their advocacy functions remain limited. Specialist organizations maintain good relationships with national, prefectural, and municipal governments, but work beyond municipalities and prefectures. Furthermore, they fulfill the function of advocacy mainly at the national and prefectural levels.

These findings suggest that specialist intermediary organizations, which consist of

voluntary associations, including hybrid TSOs, can intervene in local or community governance from outside of the local society or community district.

6 Conclusions

This paper considered three layers of local TSOs based on RCS. The first layer constructs community governance with neighborhood associations as the central figure in each district. Community governance is regarded as one of the general types of governance that is multifunctional, but without specialized or commercialized activities. The second layer mainly consists of local groups of counterparts in collaboration measures. These are mainly NPO corporations, but their activities are not highly commercialized. The third layer consists of groups more highly commercialized than the first two. The groups in the third layer have been developed outside the scope of general governance, such as community and local governance.

Local groups in the third layer are regarded as having higher hybridity and intermediate public, entrepreneurial, and community properties. One of most important intra-organizational conditions of intermediation is management, which has multiple purposes and establishes boundaries between business and community activities. At the same time, networks are regarded as important conditions, and each property can be actualized as an activity or function if it meets the appropriate conditions, such as a state of local governance.

Intermediary organizations have important roles in terms of local governance for local groups. In addition to mediation, separation between governments and frontline organizations is an important condition for maintaining the hybridity of local TSOs. Local TSOs make it possible to obtain benefits from local governments by this mediation; however, they also make it possible to maintain the properties of communities by this separation. A division between intermediary organizations that advocate and lobby and front-line organizations that carry out activities based on the participation of citizens is necessary.

Although specialist intermediary organizations could potentially intervene in established general governance such as community and local governance, only a few studies have been conducted on these types of organizations in Japan. The intervention process corresponds to the concept of “sub-politics,” which has been suggested as being able to “politicize the politics” (Beck, 1999) based on the necessities of life. Exactly how the formalization of specific activities can meet these needs and impact existing community and local governance is a focal point in the study of local TSOs in RCS.

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